



TRANSFORMING  
DREAMS AND  
LIVES



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# Transforming Dreams & Lives

Luxury is an epitome of the ultimate pursuit for recognition in a human being and represents the fulfillment of the latent desire to stand apart and be noticed. We understand that your home is your statement to the world and an announcement of who you are.

We believe that your home should be a reflection of your personality and individuality. All alluring combination of luxurious elegance & tailored to perfection for modern living.

Imagine a magical world, a land where dreams come true. A land where you wake up in the morning, slip on your slippers, walk across the plush marble laid floor to step onto rolling green landscapes stretching as far as horizon. We strive to design elegant homes with graceful architecture and beautiful landscape which would outdo even your imagination.



# CHAIRMAN'S MESSAGE



## Dear Shareholders,

I welcome all Shareholders and Board of Directors to the 20<sup>th</sup> Annual General Meeting of your Company for the financial year ("F.Y.") 2015-16.

F.Y. 2015-16 saw the global economy tumble on account of weak European and Chinese cues and various other factors. But India stood its ground to become the fastest growing economy in the world with a GDP growth of 7.6%. Reserve Bank of India's inflation focus supported by benign global commodity prices has come to fruition through combined efforts of strong Government reforms. In addition to all this, the Government was able to control the fiscal deficit to its budgetary target of 3.9%.

The Indian Real Estate sector which is 2<sup>nd</sup> largest employment generator in India after agriculture is showing signs of revival with increase in sales and reduction of unsold inventory. There is also a significant increase in new launches in the residential space.

The Government has been focusing on clearing major Infrastructure projects which has resulted in considerable increase in speed of construction of highways which is at the highest this year. Infrastructural development is proving vital for real estate sector. Government has started shaping previously launched housing for all schemes and has come up with the list of smart cities which will be developed. Sardar Patel Urban Housing scheme, Atal Mission for Rejuvenation & Urban Transformation

("AMRUT") and Heritage City Development & Augmentation Yojana ("HRIDAY") will drive growth in the sector.

The Real Estate (Regulation and Development) Act, 2016 ("the Act") is passed by the Parliament and has received the assent of the President of India on March 25, 2016. Different provisions of the Act may be brought into force on different dates as may be specified by the Government of India. The Act contains several provisions to address the lacunae in the real estate market, principally by way of establishing a disclosure framework and setting strict liabilities for promoter irregularities. This will bring regularities and uniformity in the sector.

Mumbai over a period of last few years has improved its commute facilities with new modes of transit like monorail, metro rail and the connectivity across the city has improved considerably. Allotment of 'Metro-III Rail' contracts has already boosted the sentiments among commuters. These developments will have bearing on growth of your Company. The proposed Development Control Regulation 2034, Coastal Road Policy, elevated suburban rail corridor will develop the connectivity between business districts and suburbs of Mumbai Metropolitan Region.

Your Company has been a major player in residential, commercial, affordable housing and redevelopment spaces. Relaxation of policies with regards to affordable housing and redevelopment and market's sign of regaining momentum will boost the Company in terms of new project launch and Floor Space Index ("FSI") sale.

Private Equity Real Estate ("PERE") firms deployed over \$5 billion in Indian real estate companies and projects - the highest since the financial crisis of 2008. PERE firms made around 90 investments in India during 2015. All this in aggregate comes as a great positive for the sector which is looking for revival.

#### **Financial Performance**

- The turnover of the Company for the year ended March 31, 2016, increased by 9.18% and stood at ₹ 1,19,109.46 lacs as against ₹ 1,09,093.36 lacs in the previous year;
- The profit after tax for the year ended March 31, 2016, increased by 17.07% to ₹ 26,496.25 lacs as against ₹ 22,633.35 lacs in the previous year;
- Earnings per share increased by 48.82% to ₹ 8.17 as against ₹ 5.49 in the previous year;
- Net cash flow from operational activities is ₹ 39,860.29 lacs and
- During the year under review, the Company's Debt has been reduced by 7.70%.

In last 24 months, your Company has handed over approx. 2,500 residential units. In next 12-18 months company will handover around 4,500 residential units.

I wish to express sincere thanks to all my shareholders, Board of Directors, bankers, business partners, Government agencies, contractors and customers for their continued support and faith reposed in the Company. I also place on record my deep appreciation to all employees for their hard-work and dedication.

I would also take this opportunity to acknowledge that your Company is upholding responsibility for the environment and promoting well-being of all stakeholders including employees, customers and society at large.

Regards,

**Rakesh Kumar Wadhawan**

Executive Chairman

## A Luxurious Lifestyle Beckons at Whispering Towers, Mulund (W).



Welcome to a lifestyle of utmost admiration and grandeur, set amid blissful views of the Yeoor hills on one side and the Airoli creek on the other. From well-appointed residences to mesmeric indoor and outdoor amenities, it offers one of the finest addresses in the vicinity. Be rest assured, it's an address everyone will look up to.

- Club House
- Swimming Pool
- Gazebos
- Sun Decks
- Indoor Gym
- Reflexology Walk
- Yoga Room
- Herb Garden
- Indoor Games Room
- Net Cricket Pitch
- Basketball Court
- Amphitheater
- Jogging Track
- Toddler Play Area
- Skating Rink
- Kids Play Area
- Play Lawn
- Meditation Garden
- Discovery Pond
- Forest Walk
- Squash Court with Balcony
- Pet Walk
- Tennis Court
- Artist Zone
- Car wash facility
- Business center

## The Meadows, Goregaon (W).



Enjoy the comfort of living in a pleasant and tranquil environment where anything and everything that you require for a comfortable daily living is available in close proximity. What makes The Meadows distinct from other real estate properties is that it is affixed with world-class facilities that will simplify your life and give you more time to spend with family and friends. With a serene vista to savor from a height, The Meadows is essentially a real estate project that gives you the best housing comfort with a natural ambiance.

- Power Back Up
- Modular Sockets and Switches
- Generator for Lift
- Generator Backup
- Concealed Copper Wiring
- Ceramic Tiles
- Branded C.P. Fittings
- Anti-skid Ceramic Tiles
- Vitrified Tile Flooring
- Sliding (French) Windows
- Designer POP Cornices
- Anodised Aluminium Glazing
- Stainless Steel Sink
- Granite Working Top
- Elevators
- Entrance Lobby with Reception and Waiting Area
- Decorated Entrance Lobby
- Intercom – Amongst Residents

# Majestic Towers, Nahur (W).

If Life Had A Majestic Address, This Would Be It!



Thoughtfully planned in proximity to nature and embellished with contemporary amenities, Majestic Towers are well poised to offer the lifestyle of tomorrow. It's a place where well-appointed residences share space with a host of enticing amenities.

- Club House
- Swimming Pool
- Gazebos
- Sun Decks
- Indoor Gym
- Reflexology Walk
- Yoga Room
- Herb Garden
- Net Cricket Pitch
- Basketball Court
- Amphitheater
- Jogging Track
- Toddler Play Area
- Skating Rink
- Kids Play Area
- Meditation Garden
- Squash Court with Balcony
- Tennis Court
- Artist Zone

## Paradise City, Palghar.



golden opportunity to buy a dream home for people working in and around Palghar. The self-sufficient township has been meticulously planned providing access to everyday needs of its residents. A dream come true for those who wish to enjoy life in the lap of nature and pollution free atmosphere.

- Mega township across 160 acres
- Just 2 ½ Kms from Palghar station
- Shopping centers, Market and Multiplex
- Club house and Gymnasium
- Jogging track and Landscape gardens with children's play area
- Hospital and Educational establishments
- Local train connectivity
- Rain water harvesting
- Sewage treatment plant
- 18 lac liters water storage tank
- Concealed electrical copper wiring
- R.C.C framed structure
- Elegantly designed entrance
- Anodized sliding window
- All buildings with good quality acrylic paint on external surface
- Oil bond distemper in all rooms
- Granite platform in kitchen
- Glazed tiles above kitchen platform
- Exhaust fan provision in kitchen
- Full glazed tiles in W.C and bath area

Premier Exotica, Kurla (W).  
Offering A Lifestyle as Exotic as the Name.



he belt of Kurla has experienced rapid transformation after the development of BKC in the neighborhood. The construction of Premier Exotica is another feather in the cap of Kurla. On offer is a comfortable lifestyle that sprawls the best on offer at your feet. Feel at home as you bask in glory.

- Vitrified flooring
- Ionized French windows grills
- Kolher / Jaguar or equivalent bathroom fitting
- High quality electrical switches
- Cable TV connection
- Intercom connectivity throughout the complex
- Firefighting facilities
- Branded automatic lifts
- Ample parking in basement
- Rain water harvesting
- Club house with well-equipped gymnasium
- Carom tables and Table Tennis
- Landscaped Gardens
- Children's Play area

## NOTICE

**NOTICE** is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED**, will be held on Thursday, September 29, 2016, at 11:00 a.m. at National Stock Exchange of India, Exchange Plaza, Plot No. C/1, G – Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the standalone as well as the consolidated financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.

### 2. Appointment of Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and upon recommendation of the Audit Committee, M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Twenty First AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax, as may be mutually agreed upon by the Executive Chairman of the Company and the Auditors.”

### SPECIAL BUSINESS:

### 3. Appointment of Mr. Ashok Kumar Gupta (DIN: 00145816) as a Non-Executive Independent Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Ashok Kumar Gupta (DIN: 00145816), Non-Executive Director of the Company, who meets the criteria for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member, proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Independent Director of the Company for a term of five (5) years upto May 27, 2021, not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Ashok Kumar Gupta be paid such fees and

remuneration and profit related commission as the Board may approve from time to time and subject to such limits prescribed or as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

### 4. Ratification of remuneration payable to Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Ketki D. Visariya & Co., Cost Accountants (Firm Registration Number: 00362), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, be paid a remuneration for the financial year ending March 31, 2017, amounting to ₹ 1,00,000/-, re-imbursalment of out-of-pocket expenses incurred plus service tax as applicable in connection with the aforesaid audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

### 5. To consider fund raising programme of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 41, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) (including any statutory modifications or re-enactment(s) thereof for the time being in force) as amended from time to time, the Foreign Exchange Management Act, 1999 (**“FEMA”**), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended and Depository Receipts Scheme, 2014, rules, regulations, guidelines, notifications and circulars prescribed by the Securities and Exchange Board of India (**“SEBI”**) including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the **“ICDR Regulations”**) as amended, the Reserve Bank of India (**“RBI”**) and the Government of India (**“GOI”**) and / or any other competent authorities as may be required and clarifications, if any, issued thereon from time to time, the equity listing agreements entered into by the Company with the stock exchanges where the Company’s equity shares of face value of ₹ 10/- each (the **“Equity Shares”**) are listed, as per the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) and subject to any approval, consent, permission and / or sanction of GOI, SEBI, RBI and the stock exchanges, as may be required, and the enabling provisions of the Memorandum of Association and the Articles of Association of the Company and subject to all other necessary approvals, permissions, consents and / or sanctions of the

concerned statutory and other relevant authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall include any committee thereof constituted / to be constituted by the Board to exercise its powers including powers conferred by this Resolution to the extent permitted by law), consent, authority and approval of the Members is hereby accorded to create, offer, issue and allot in one or more tranches, in the course of domestic and / or international offering(s) in one or more foreign markets, by way of a public issue, private placement or a combination thereof of the Equity Shares or through an issuance of the Global Depository Receipts (“**GDRs**”), the American Depository Receipts (“**ADRs**”), the Foreign Currency Convertible Bonds (“**FCCBs**”), fully convertible debentures / partly convertible debentures, preference shares convertible into Equity Shares and / or any other financial instruments or securities convertible into Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether denominated in rupee or in foreign currency (hereinafter collectively referred to as the (“**Securities**”)) or any combination of Securities to any person including but not limited to foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), foreign institutional investors, promoters, Indian and / or multilateral financial institutions, mutual funds, non-resident Indians, employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), (collectively called the “**Investors**”) at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary as may be decided by the Board in its absolute discretion at the time of issue of Securities in one or more offerings / tranches, such that the total amount including premium raised through the aforesaid Securities should not exceed USD 350 million (350 Million United States Dollars) in one or more currencies.

**RESOLVED FURTHER THAT** pursuant to provisions of Sections 41, 42, 62 and other applicable provisions, if any, of the Act, Chapter VIII of the ICDR Regulations, the FEMA and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, consent, authority and approval of the Members be and is hereby accorded to issue, offer and allot Equity Shares, securities convertible into Equity Shares or non-convertible debentures along with warrants such that the total amount including premium raised should not exceed USD 350 million (350 Million United States Dollars), as specified in the preceding Resolution, to the qualified institutional buyers (as defined in the ICDR Regulations) pursuant to a qualified institutions placement in accordance with Chapter VIII of the ICDR Regulations.

**RESOLVED FURTHER THAT** in case of issue of the Securities by way of the qualified institutions placement to the qualified institutional buyers in accordance with Chapter VIII of the ICDR Regulations, the “relevant date” shall mean the date of the meeting in which the Board or a Committee of the Board decides to open the proposed issue of Securities and at such price as applicable in accordance with the provisions of the ICDR Regulations.

**RESOLVED FURTHER THAT** in case of a qualified institutions placement, in terms of the provisions of the ICDR Regulations, the Board may, at its absolute discretion, issue Equity Shares (including upon conversion of the Securities) at a discount of not more than such percentage as permitted under applicable regulations to the ‘floor price’ as determined in terms of the ICDR Regulations.

**RESOLVED FURTHER THAT:**

- a. the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company;
- b. the relevant date for the purposes of determining the floor price of the Securities would be in accordance with the guidelines prescribed by SEBI, RBI, GOI through its various departments, or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable adjustments in the applicable rules / guidelines / statutory provisions and
- c. the Equity Shares that may be issued by the Company shall rank *pari passu* with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** the issue of Equity Shares underlying the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, *inter alia*, subject to the following terms and conditions:

- a. in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Securities, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro rata*;
- b. in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Securities, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- c. in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted and
- d. in the event of consolidation and / or division of outstanding shares into smaller number of shares (including by the way of stock split) or re-classification of the Securities into other securities and / or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents, etc., with such agencies and to seek the listing of such Securities on one or more recognised (national and international) stock exchange(s).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of the Securities or as may be necessary in accordance with the terms of the issue / offering and all such Equity Shares shall rank pari passu with the existing Equity Shares in all respects, except the right as to dividend which shall be from the relevant financial year in which they are allotted and / or as provided under the terms of the issue or as contained in the relevant offering documents.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s) / offering(s), including the type of Security(ies) to be issued and allotted, the class of investors to whom the Securities are to be offered / issued and allotted, number of Securities to be issued and allotted in each tranche, issue price, face value, number of Equity Shares or other securities upon conversion or redemption or cancellation of Securities, premium or discount amount on issue / conversion of Securities / exercise of warrants / redemption of Securities / rate of interest / period of conversion or redemption, listings on one or more stock exchanges in India and / or abroad and fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s) / offering(s), allotment and conversion of any of the aforesaid Securities, utilisation of issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any executive director or directors or any other officer or officers of the Company to give effect to the aforesaid Resolution."

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

**Darshan D. Majmudar**  
Chief Financial Officer & Company Secretary

Place: Mumbai  
Date: May 28, 2016

#### NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS / HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.**

**A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.**

- 2.** The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 ("**the Act**"), in respect of the business under Items 3 to 5 of the accompanying Notice are annexed hereto. Brief profile of Mr. Ashok Kumar Gupta, Director of the Company, who is proposed to be appointed and details as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") is annexed to this Notice.
- 3.** Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
- 4.** Members / Proxies are requested to fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report at the 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.** Relevant documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Registered Office of the Company on all working days between 10:00 a.m. to 12:00 noon up to the date of the Meeting.
- 7.** The Company has notified closure of Register of Members and Share Transfer Books of the Company from Saturday, September 24, 2016 to Thursday, September 29, 2016 (both days inclusive).
- 8.** As per the provisions of Section 205A and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Act are yet to be notified), the amount of final dividend unpaid or unclaimed within seven years from the date of its transfer in the Financial Year ("**F.Y.**") 2008-09 to the unpaid dividend account and proceeds from sale of fractional bonus shares which are unclaimed for a period of seven years from the date of declaration in the F.Y. 2008-09, were required to be transferred to the Investor Education and Protection Fund ("**IEPF**") as established by the Central Government.

Accordingly, the unpaid final dividend and unclaimed bonus shares were transferred to the IEPF.

9. 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 and who have not submitted PAN, are requested to submit their PAN to the Depository Participants (“DP”) with whom they have maintained their demat accounts. Members holding shares in physical form should submit their PAN to the Karvy Computershare Private Limited, Company’s Registrar & Share Transfer Agent (“R&T Agent”), Karvy Selenium Tower-B, Plot No. 31 and 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad - 500 032.
10. With a view to using natural resources responsibly, we request shareholders to update their e-mail address with their DP to enable the Company to send communications electronically or you may request the Company at [info@hdil.in](mailto:info@hdil.in) or R&T Agent at [inward.ris@karvy.com](mailto:inward.ris@karvy.com) for the same.
11. Queries on Financial Statements of the Company, if any, to 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.
12. Members are requested to notify immediately change, if any, in their address/ mandate/ e-mail/ bank details to their DP in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company’s R&T Agent at the above address.
13. Under Section 72 of the Act, 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 No. SH-13 in duplicate to the Company’s R&T Agent at the above address.
14. A Route map showing directions to reach the venue of the 20<sup>th</sup> AGM is given at the end of the this Notice as per requirement of the Secretarial Standard - 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.
15. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the DP(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or DP(s).
16. Members may also note that the Notice of the 20<sup>th</sup> AGM and the Annual Report for the F.Y. 2015-16 will be available on the Company’s website [www.hdil.in](http://www.hdil.in).
17. Information and other instructions relating to e-voting are as under:

Pursuant to Section 108 of the Act, read with the relevant Rules of the Act and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 21, 2016 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9:00 a.m. on Monday, September 26, 2016 and will end at 5:00 p.m. on Wednesday, September 28,

2016. The facility for voting through electronic voting system (‘Insta Poll’) will be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ‘Insta Poll’. The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries (C.P. No. 3531), to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer the detailed procedure given hereinafter.

#### Procedure for remote e-voting

- I. The Company has engaged the services of Karvy Computershare Private Limited (“Karvy”) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:
  - a) In case of Members receiving an e-mail from Karvy:
    - i. Launch an internet browser and open <https://evoting.karvy.com>
    - ii. Enter the login credentials (i.e. User ID and password). The Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User – ID	For Members holding shares in Demat Form:- a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed in this communication / sent via email along with the Notice sent in electronic form.
Captcha	Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii. After entering the above details Click on - “LOGIN”. Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.

- iv. On successful login, the system will prompt you to select the e-Voting Event.
  - v. Select the EVENT of Housing Development and Infrastructure Limited and click on - Submit.
  - vi. Now you are ready for e-voting as 'Cast Vote' page opens.
  - vii. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
  - viii. Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - ix. Once you have voted on the Resolution, you will not be allowed to modify your vote.
  - x. Institutional shareholders (i.e. other than individuals, HUF etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [scrutinizer@mgconsulting.in](mailto:scrutinizer@mgconsulting.in), they may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip:
    - i. Initial Password' is provided, at the bottom of the Attendance Slip.
    - ii. Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
  - III. The remote e-voting period commences on Monday, September 26, 2016 at 9:00 a.m. and ends on Wednesday, September 28, 2016, at 5:00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date of September 21, 2016, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter.
  - IV. The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - V. The Members who are entitled to vote but have not exercised their right to vote through remote e-voting may vote at the AGM through Insta Poll.
  - VI. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID by approaching the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
    - a. If e-mail or mobile number of the Member is registered against Folio No. / DP ID-Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "forgot password" and enter Folio No. or DP ID-Client ID and PAN to generate a password.
    - b. Member may call Karvy's toll free number 1800-3454-001.
    - c. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- VII. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 21, 2016. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
  - VIII. The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizers Report of the total votes cast in favour of or against, if any, not later than two (2) days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
  - IX. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.hdil.in](http://www.hdil.in)) and on Karvy's website (<https://evoting.karvy.com>) after communication of the same to BSE Limited and National Stock Exchange of India Limited.
  - X. The Resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

### EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 5 of the accompanying Notice:

#### ITEM NO. 3

Mr. Ashok Kumar Gupta (DIN: 00145816) was appointed as a Non-Executive Director of the Company with effect from April 27, 2006. He has been associated with the Company over several years and have involved with various negotiations, finalising legal transactions, etc. and in the financial year ("F.Y.") 2007-08, he was designated as Non-Executive Non-Independent Director. He had entered into two transactions with the Company in the ordinary course of business and those transactions were at an arm's length and he is also a Director in two wholly-owned subsidiaries of the Company. He has not been involved into any activities of the Company for period of more than three years except in a professional capacity.

Further, Mr. Ashok Kumar Gupta has not taken any remuneration from the Company during his directorship except by way of sitting fees for attending Meeting of the Board or Committees thereof and commission paid to all the Non-executive Directors.

In terms of Section 149 read with Schedule IV to the Act and upon recommendation of the Nomination and Remuneration Committee at

its Meeting held on May 28, 2016, the Board reviewed the declaration made by Mr. Ashok Kumar Gupta that he meets the criteria of independence as provided in Section 149(6) of the Act, and the Board is of the opinion that he fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management.

In terms of Section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Members of the Company. In view of the above provisions, the proposal for the appointment of Mr. Ashok Kumar Gupta as a Non-executive Independent Director, not liable to retire by rotation, for a term of five years upto May 27, 2021, has been put up for the approval of the Members.

A brief profile of Mr. Ashok Kumar Gupta is annexed to this Notice.

Except Mr. Ashok Kumar Gupta, being an appointee, none of the Directors or Key Managerial Personnel (“KMP”) of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

Accordingly, your Directors commends the **Ordinary Resolution** for the approval of the Members appointing Mr. Ashok Kumar Gupta as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five years.

#### ITEM NO. 4

The Board on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Ketki D. Visariya & Co., Cost Accountants (“**Cost Auditors**”), to conduct the audit of the cost records of the Company for the F.Y. ending March 31, 2017.

In terms of the provisions of Section 148 of the Act, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the F.Y. ending March 31, 2017, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or KMP of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

Accordingly, your Directors commends the **Ordinary Resolution** for the approval of the Members for ratification of remuneration payable to the Cost Auditors.

#### ITEM NO. 5

The Company, in order to reduce the overall debt of the Company and to meet with the long term capital requirements of the Company and to increase the ability to compete with the peer groups in domestic markets, needs to strengthen its financial position and net worth by augmenting long term resources, has proposed the Fund Raising Programme.

Pursuant to the above, the Board may, issue and allot in one or more tranches, in the course of domestic and / or international offering(s) in one or more foreign markets, by way of a public issue, private placement or a combination thereof of the Equity Shares or through an issuance of the Global depository receipts, the American depository receipts, the foreign currency convertible bonds, fully convertible debentures / partly convertible debentures, preference shares convertible into Equity Shares, and / or any other financial instruments or securities convertible into Equity Shares or with or

without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the “**Securities**”) or any combination of Securities to any person including but not limited to foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), foreign institutional investors, promoters, Indian and / or multilateral financial institutions, mutual funds, non-resident Indians, employees of the Company and / or any other categories of investors.

The “relevant date” shall mean the date of the Meeting in which the Board or a Committee of the Board decides to open the proposed issue of Securities and at such price as applicable in accordance with the provisions of the ICDR Regulations.

For reasons aforesaid, an enabling Resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The securities issued pursuant to the offering would be pari passu with the existing Equity Shares in all respects, except the right as to dividend which shall be from the relevant F.Y. in which they are allotted and / or as provided under the terms of the issue or as contained in the relevant offering documents.

The proposed issue of Qualified Institutions Placement Securities as above may be made in one or more tranches such that the aggregate amount raised by issue of Qualified Institutions Placement Securities shall not exceed USD 350 million (350 Million United States Dollars).

Section 62 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorisation of the Members to the Board to make the proposed issue of Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines.

None of the Directors or KMP of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

Accordingly, your Directors commends the **Special Resolution** for the approval of the Members for approving the fund raising programme of the Company.

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

**Darshan D. Majmudar**  
**Chief Financial Officer & Company Secretary**

Place: Mumbai

Date: May 28, 2016

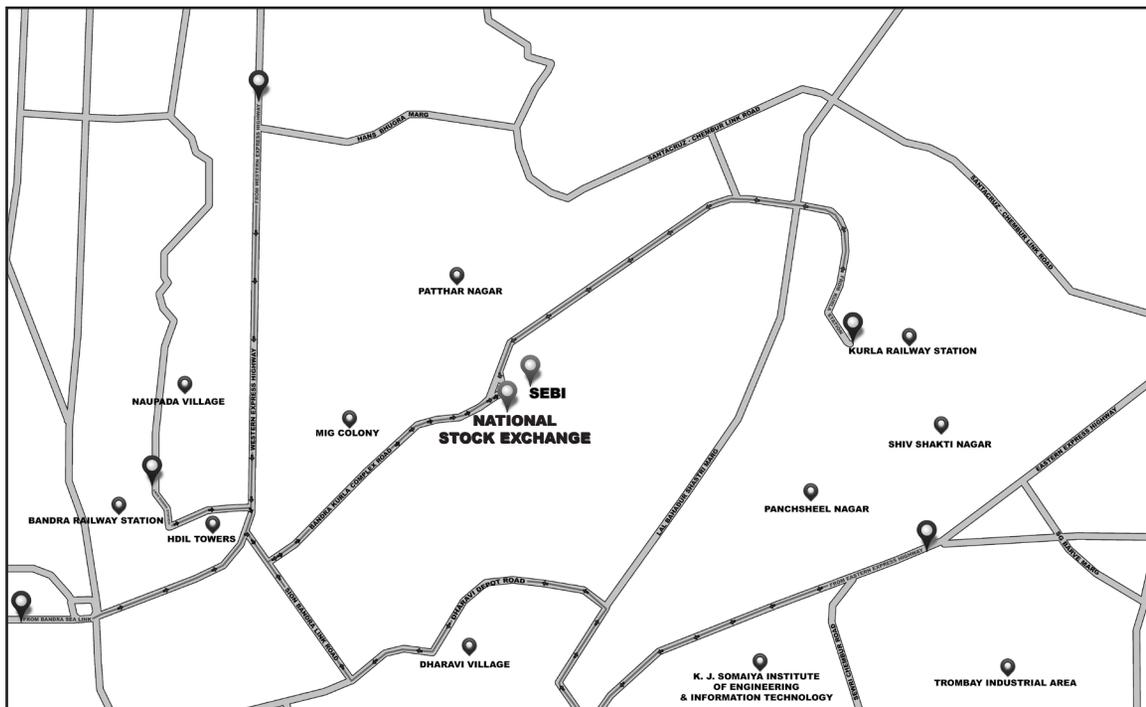
### DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

<b>Name of the Director</b>	<b>Mr. Ashok Kumar Gupta</b>
<b>Age</b>	66 yrs
<b>Qualification(s)</b>	Chartered Accountant, L.L.B. from Mumbai University
<b>Experience</b>	Mr. Ashok Kumar Gupta has 38 years of experience in Real Estate, Development and Construction, Media and Entertainment, Mining and Hospitality industries.
<b>Terms &amp; conditions alongwith details of remuneration</b>	<ul style="list-style-type: none"> <li>Mr. Ashok Kumar Gupta shall be appointed for a term of 5 consecutive years and shall be eligible for re-appointment on passing of a special resolution by the Members.</li> <li>He shall be paid sitting fees not exceeding ₹ 20,000/- each for attending Board Meeting and Committee Meeting and such profit related commission as the Board may approve from time to time.</li> </ul>
<b>Remuneration last drawn</b>	₹ 36.31 Lacs (includes sitting fees and commission only)
<b>Expertise in specific functional area</b>	Investment Schemes, Restructuring, Accountancy, other Corporate Law matters, Real Estate Laws and Management.
<b>Date of first Appointment</b>	April 27, 2006
<b>Number of Shares Held</b>	5,800
<b>Relationship with other Directors &amp; Key Managerial Personnel</b>	-
<b>No. of Meetings of the Board attended during the financial year 2015-16</b>	4 (Four) Board Meetings
<b>Other Directorship(s) in other Public Companies (excluding foreign companies, private companies and Section 8 companies)</b>	Blue Star Realtors Private Limited and Privilege Power and Infrastructure Private Limited
<b>Committee Positions in other Public Companies</b>	Nil

#### ROUTE MAP TO THE ANNUAL GENERAL MEETING VENUE

Venue: National Stock Exchange of India, Exchange Plaza, Plot No. C/1, G – Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051  
 Directions from Bandra Railway Station and Kurla Railway Station:



Dear Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report of the Company together with the "Management Discussion and Analysis Report", "Corporate Governance Report" and "Audited Financial Statements" for the Financial Year ("F.Y.") ended March 31, 2016.

## FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016 as compared to the previous F.Y. is summarised below:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
<b>Gross sales and other receipts</b>	<b>1,19,109.46</b>	<b>1,09,093.36</b>	<b>1,19,247.09</b>	<b>1,08,312.21</b>
Profit before finance cost, depreciation, amortisation and taxation	66,122.14	70,118.58	80,814.81	86,656.27
Finance Cost	36,720.43	38,694.07	51,228.25	55,344.49
Depreciation and Amortization	547.60	671.26	575.59	1,531.95
<b>Operational profit before tax</b>	<b>28,854.11</b>	<b>30,753.25</b>	<b>29,010.97</b>	<b>29,779.83</b>
Less: Tax Expenses	2,357.86	8,119.90	2,407.37	7,916.25
Less: Minority Interest	N.A.	N.A.	(9.86)	(1.55)
<b>Profit for the year</b>	<b>26,496.25</b>	<b>22,633.35</b>	<b>26,613.46</b>	<b>21,865.13</b>
Balance brought forward	76.72	3,791.77	(36,449.74)	(34,329.08)
Add: Other adjustments	7,717.59	351.60	7,693.54	2,714.21
Profit available for appropriation	34,290.56	26,776.72	(2,142.74)	(9,749.74)
Less: Transferred to Debentures Redemption Reserve	5,424.09	26,700.00	5,424.09	26,700.00
<b>Closing Balance</b>	<b>28,866.47</b>	<b>76.72</b>	<b>(7,566.83)</b>	<b>(36,449.74)</b>
<b>Net Worth</b>	<b>10,99,719.81</b>	<b>10,65,505.97</b>	<b>11,14,775.12</b>	<b>10,80,468.12</b>

## STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

- The Turnover of the Company increased by 9.18 % and stood at ₹ 1,19,109.46 lacs as against ₹ 109,093.36 lacs in the previous year.
- The Company's Profit from operations for the year ended March 31, 2016, decreased by 6.18 % to ₹ 28,854.11 lacs as against ₹ 30,753.25 lacs in the previous year.
- The Net Profit for the year has increased by 17.07 % to ₹ 26,496.25 lacs as against ₹ 22,633.35 lacs in previous year.
- During the F.Y., Company's Debt including Non-Convertible Debentures ("NCD") has been repaid aggregating to ₹ 62,225.23 lacs and Debt Service Ratio is 0.92.

## MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis Report, which forms part of this Report.

## SUBSIDIARY COMPANIES

As at March 31, 2016, your Company has following subsidiaries:

Sr. No.	Name of Subsidiary
1	Blue Star Realtors Private Limited
2	BKC Developers Private Limited
3	Excel Arcade Private Limited
4	Guruashish Construction Private Limited
5	HC Infracity Private Limited
6	Lashkaria Construction Private Limited
7	Mazda Estates Private Limited
8	Privilege Power and Infrastructure Private Limited
9	Ravijyot Finance and Leasing Private Limited

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), read with relevant rules of Companies (Accounts) Rules, 2014, the Company has prepared its consolidated financial statement including all of its subsidiaries, which is forming part of this report. A statement containing salient features of financial statements of subsidiary companies in Form AOC 1 is included in the Annual Report at Page No. 94.

Pursuant to provisions of Section 136 of the Act, the separate audited financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company on all working days between 10:00 a.m. to 12:00 noon, for a period of 21 days before the date of the Annual General Meeting ("AGM"). Your Company will also make available these documents upon a written request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary companies is also available on the website of your Company at [www.hdil.in](http://www.hdil.in).

## DIVIDEND

In view of the current market and industry scenario, your Board has been actively pursuing paring of its debt and optimising its land banks, your Directors have not recommended payment of any Dividend for the F.Y. ended March 31, 2016.

## DEBENTURES

During the F.Y., your Company has not issued any Debentures. However, out of the total NCD issued in the earlier years by the Company, during the F.Y., there has been repayment of NCD aggregating to ₹ 43,651.78 lacs.

## SHARE CAPITAL

The paid-up equity share capital of the Company as at March 31, 2016, was ₹ 41,900.40 lacs. During the F.Y., there was no change in the issued, subscribed and paid up share capital of the Company.

The equity shares of your Company continue to be listed on BSE Limited and National Stock Exchange of India Limited.

### RESERVES

As per requirements of the provisions of Section 71 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, your Company has transferred ₹ 5,424.09 lacs to Debenture Redemption Reserve.

### FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return of the Company, as prescribed under Section 92(3) of the Act and Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

### DIRECTORS

Due to sad demise after brief illness, Mr. Shyam Sunder Dawra ceased to be a Non-Executive Independent Director of the Company with effect from February 10, 2016. The Board of Directors ("**the Board**") place on record its appreciation for the significant contribution made by him during his tenure as a Director of the Company.

On submission of declaration made by Mr. Ashok Kumar Gupta under Section 149(7) of the Act and in accordance with the provisions of the Act and on the basis of recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on May 28, 2016, had appointed Mr. Ashok Kumar Gupta as a Non-Executive Independent Director of the Company.

Your Company has received notice in writing pursuant to Section 160 of the Act from the Member along with deposit of ₹ 1,00,000/- signifying his intention to propose the candidature of Mr. Ashok Kumar Gupta as Non-Executive Independent Director of the Company at the ensuing AGM of the Company and his appointment is hereby proposed for the approval of the Members.

The above appointment forms part of the Notice of the ensuing twentieth AGM and the Resolution is recommended for your approval. Brief Profile of Mr. Ashok Kumar Gupta as required under the Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), forms part of the Notice of the ensuing twentieth AGM.

Your Company received declaration from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed by Section 149(6) of the Act.

The terms and conditions of the appointments of Independent Directors have been placed on the website of the Company [www.hdil.in](http://www.hdil.in).

Your Company has conducted the familiarization programme for all its Directors covering the matters as specified under Regulation 25(7) of the Listing Regulations, details of which has been hosted on the Company's website at <http://www.hdil.in/pdf/policies/familiarisation-programme-for-independent-directors.pdf>.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 were adequate and operating effectively.

### CORPORATE GOVERNANCE

Your Company has its Corporate Governance philosophy on transparency, accountability, values and ethics, which forms an integral part of the Management's ongoing activity towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

A report on Corporate Governance together with a certificate received from M/s. Thar & Co., Chartered Accountants, Statutory Auditors of the Company confirming the compliance with the provisions of Corporate Governance as stipulated in Listing Regulations is given separately which forms part of this Report. (Refer Page No. 32).

### NUMBER OF MEETINGS OF THE BOARD

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company. The schedule of the Board / Committee Meetings to be held in the forthcoming F.Y. will be circulated to the Directors in advance to enable them to plan their schedule for their effective participation in the Meetings.

During the F.Y., the Board met four (4) times viz. on May 15, 2015, August 10, 2015, November 7, 2015 and February 13, 2016.

Detailed information on the Meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report. (Refer Page No. 32).

## COMMITTEES OF THE BOARD

Your Company has following committees of the Board as a part of good corporate governance practices and which are in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee;
- Risk Management Committee;
- Corporate Social Responsibility Committee (“**CSR Committee**”);
- Finance Committee and
- Project Committee

The details with respect to the compositions, terms of reference including powers, roles etc. of relevant committees are given in detail in the ‘Report on Corporate Governance’ of the Company which forms part of this Annual Report.

### AUDIT COMMITTEE

The Audit Committee comprises of the following Directors:

Mrs. Sandhya Baliga	-	Chairperson
Mr. Ashok Kumar Gupta	-	Member
Mr. Lalit Mohan Mehta	-	Member
*Mr. Shyam Sunder Dawra	-	Member
Mr. Raj Kumar Aggarwal	-	Member

\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be the Member of the Committee w.e.f. February 10, 2016.

All the recommendations made by the Audit Committee were accepted by the Board.

### STATUTORY AUDITORS

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Statutory Auditors of your Company, who retire at the ensuing AGM of the Company are eligible for appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act. As required under Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### EXPLANATION ON AUDITORS’ REPORT

As regards the observation by the Auditor in the Auditor’s Report regarding delay in payment of Statutory dues, subsequently the Company has paid TDS of ₹ 10 lacs and arrears of interest on Service Tax and VAT will be cleared upon completion of assessment of the respective years.

In respect of Income Tax demands, your Directors’ would like to state that the Company has filed appeal against the demand raised by the Assessing officer and the same is pending for disposal at

various stages. Your Company is confident based on the advice of Advisors that the outcome of the appeals will be decided in favor of the Company.

There are no qualifications, reservations, adverse remarks or disclaimers made by Statutory Auditors in their Report dated May 28, 2016, on the financial statements of the Company for F.Y. 2015-16.

### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SG & Associates, Company Secretaries (C.P. No. 5722) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure ‘B’**.

There are no qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Report dated May 21, 2016, on the Secretarial and other related records of the Company for the F.Y. 2015-16.

### COST AUDITORS

In pursuance of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board, on recommendation of Audit Committee, has appointed M/s. Ketki D. Visariya & Co., Cost Accountants (Firm Registration No. 00362), as the Cost Auditors to conduct the Cost Audit for the F.Y. 2016-17 at a remuneration of ₹ 1,00,000/- and reimbursement of out of pocket expenses plus service tax as applicable.

As required under the Act, ratification by the Members pertaining to the remuneration payable to the Cost Auditors forms part of the Notice of the ensuing AGM and the respective Resolution is recommended for your consideration.

### INTERNAL FINANCIAL CONTROL

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY

Pursuant to Section 186 of the Act, particulars of the loans given, investment made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security is proposed to be utilised by such recipient are provided under respective notes in financial statements.

### RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the F.Y. were on arm’s length basis and in the ordinary course of business and that the provisions of Section 188 of the Act are not attracted and hence the disclosure in form AOC-2 is not required.

During F.Y., there are no material related party transactions with Promoters, Directors or Key Managerial Personnel (“**KMP**”). The Company has in place a policy on Materiality of and Dealing with Related Party Transactions for the purpose of identification and monitoring of such transactions. Suitable disclosures as required under AS-18 have been made in Note 30 of the Notes to the financial statements.

Pursuant to Regulation 23 of the Listing Regulations, the Company has in place a Policy on dealing with Related Party Transactions, which has been hosted on Company's website at <http://www.hdil.in/pdf/policies/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf>.

#### **Policy for determining 'Material' Subsidiaries**

As required under Regulation 16(1)(c) of the Listing Regulations, the Company has in place a Policy for Determining 'Material' Subsidiaries, which has been hosted on Company's website at <http://www.hdil.in/pdf/policies/policy-for-determining-material-subsiidiary.pdf>

#### **RISK MANAGEMENT**

Pursuant to Regulation 21 of Listing Regulations, your Company has in place a Risk Management Committee which identifies, evaluates, manages and monitors the risks that can impact the Company's ability to achieve its strategic and financial objectives and monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization.

The Board has in place a Risk Management Policy to identify and assess the key risk area, monitor and report compliance and effectiveness of the policy and procedure.

#### **VIGIL MECHANISM**

Your Company has a Vigil Mechanism for their Directors and employees to report their genuine concerns or grievances and in order to report such concerns or grievances, the Company has formal Whistle Blower Policy in place.

Your Company assures cognizance of complaints made and suggestions given by the employees. Even anonymous complaints will be looked into and whenever necessary, suitable corrective steps will be taken.

The Whistle Blower Policy, provides for adequate safeguards against victimization of persons who use such mechanism and also provides direct access to the Chairperson of the Audit Committee. The Whistle Blower Policy have been put up on the Company's Website at [www.hdil.in](http://www.hdil.in).

#### **NOMINATION AND REMUNERATION POLICY**

The Board has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, KMP and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors.

The detailed policy is annexed to the Report on Corporate Governance, which forms part of this Annual Report.

#### **EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its performance, of the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation was carried out was explained in the Report on Corporate Governance, which forms part of this Annual Report.

#### **PARTICULARS OF EMPLOYEES**

Your Company recognizes its employees as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset.

Your Company has embarked on the journey of creating a High Performance Culture and has laid the foundation towards this.

Your Directors place on record their appreciation for the contributions made by the employees of the Company at all levels. Relations between employees and the Management continued to be cordial during the year.

The statement containing particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Act, the same is open for inspection at the Registered Office of your Company on all working days between 10:00 a.m. to 12:00 noon upto the date of the Meeting. Copies of this statement may be obtained by the Members by writing to the Company Secretary of your Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure 'C'**.

#### **REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company is committed to providing and promoting a safe and healthy work environment for all its employees.

Your Company has in place a policy on 'Prevention of Sexual Harassment' ("**POSH**") in line with the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for prevention and redressal of complaints pertaining to sexual harassment at workplace, along with a structured reporting and redressal mechanism. The POSH Policy is displayed on the Company's intra-net 'HDIL World'.

During F.Y. 2015-16, your Company has not received any complaint on sexual harassment.

#### **INVESTORS' RELATION AND GRIEVANCES**

Investors' relations have been cordial during the year. As a part of compliance, the Company has in place Stakeholders Relationship Committee to deal with the issues relating to investors. There were no investors' grievances pending as on March 31, 2016. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent ("**R&T**").

#### **CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

Your Company has in place a CSR Committee which is in compliance to the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, which comprises of the following Directors:

- 1) \*Mr. Rakesh Kumar Wadhawan - Chairman
- 2) Mr. Sarang Wadhawan - Member
- 3) Mr. Lalit Mohan Mehta - Member
- 4) \*Mr. Shyam Sunder Dawra - Member

\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be a Member of the Committee w.e.f. February 10, 2016, pursuant to which the Board of Directors of the Company at its Meeting held on February 13, 2016, appointed Mr. Rakesh Kumar Wadhawan as the Chairman of the CSR Committee.

Your Company has also in place a Corporate Social Responsibility (“CSR”) Policy which is available on the website of the Company at [www.hdil.in](http://www.hdil.in).

The average Net Profit of the Company for last three F.Y. is ₹ 21,883.65 Lacs and accordingly the Company requires to spend ₹ 437.67 Lacs on CSR activities.

The Company has setup a trust in the name of ‘HDIL Foundation’ with the objectives of starting and maintain educational institutions, open boarding houses and hostels for students, libraries, donations for working of educational institutions and charitable purpose, to establish hospitals, research laboratories and medical centres, general welfare and upliftment of poor and needy people, digging wells and providing drinking water, to organize seminars / meetings / camps for awakening of general masses, to give relief in the stress of famine / fire / tempest / cyclone / earthquake or other natural calamity.

The Company however has been initiated certain obligations through undertaking of SRA project, where social and economically backward people have been beneficial of these projects, in the following ways:

- i. transportation facilities to the school going children of slum dwellers;
- ii. providing additional safety measure to enhance security of labour at construction sites and
- iii. free medical camps for the labourers and their families.

Further, your Company is irregular in paying of its statutory dues and financial commitments to the Banks and Financial Institutions, hence, the Board is of the view that CSR activities needs to be undertaken only after the Company has regularised in meeting all its obligations.

#### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, for the year ended March 31, 2016, is as under:

##### **CONSERVATION OF ENERGY**

Your company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. We emphasis towards a safe and clean environment and continue to adhere to regulatory requirements and guidelines. The construction team under the guidance of expert engineers of the Company continuously strives and devises various means to conserve energy and identify methods for optimum use of energy.

Initiatives are taken for energy efficiency systems for Buildings in various phases like design, building and occupation by considering various options and appropriate measures for energy conservation which are stated as following:

- **A Building Management System (BMS)** or a (more recent terminology) **Building Automation System (BAS)**;
- **Energy Efficiency System**;
- **Insulation**;
- **Multipane Windows, Window Treatment and Storm Doors, UPVC Doors / Windows etc.**;

- **Zoning System and**
- **Passive solar Design.**

##### **RESEARCH AND DEVELOPMENT**

The Company has undertaken Research and Development (“R&D”) activity in development of technology in the area of construction.

In today’s competitive market where it is obvious need to construct with optimum cost, reduced schedule while maintaining highest standard of quality, our Company is actively involved in R&D activities. Some of them are:

##### **Optimization of Space:**

##### **Mechanical Car Parking**

- DOKA formwork;
- ULMA formwork;
- MIVAN formwork;
- Installation of safety apparatus for emergency evacuation purpose in an unlikely event of hazard;
- Study, Analysis and use of various shuttering patterns for economy, conservation of time and better quality of work;
- Substitution of Diaphragm wall with sheet piling as shoring options;
- Study, Analysis and use of composite structure in place of conventional structure;
- Optimization of resources and their recycling for further use;
- Use of environment friendly materials and developing green building concept and
- Analysis and study of trade off among various services for optimization.

Emphasis is given on time, cost and quality and setting an efficient trade-off among these three variables of Project management in R&D efforts.

##### **Ingstrom Fire Escape Chutes**

##### **Initiatives for Sustainable Building Energy Conservation**

##### **GREEN PAINTS FOR GREEN BUILDING:**

##### **Introduction:**

Paints can have a major impact on the overall aesthetics of a space; sometimes more than even flooring and furnishing because of the enormous square footage of the coverage.

According to the US Environmental Protection Agency (USEPA), 9% of the airborne pollutants creating ground level ozone come from the VOC’s (Volatile Organic Compound) in the Paint. VOC refers to a class of chemicals which evaporates easily at room temperature. When these VOCs off-gas, they may cause a variety of health problems like nausea, dizziness, irritation of eyes and respiratory tract, and more serious illness like heart, lung or kidney damage and cancer.

Low and Zero VOC paints have little or no smog-forming emission. Use of high VOC content materials can cause illness and may decrease occupant productivity. These problems result in increased expenses and liability for building owners, operators and insurance companies.

### Benefits:

Using the Low VOC or Zero VOC paint we can eliminate the detrimental effect of ground level ozone on human health, agricultural crops, forests and ecosystem. Healthy occupants are more productive and have less illness-related absenteeism.

### LED LIGHTS

#### Introduction:

LEDs are light emitting diodes, are a technology that allows for extremely energy efficient and extremely long-lasting light bulbs. An LED light bulb can reduce energy consumption by 80-90% and last around 100,000 hours. They even light up faster than regular bulbs (which could save your life if there are LEDs in the brake lights of your car).

#### Ecologically Friendly:

LED lights are free of toxic chemicals. Most conventional fluorescent lighting bulbs contain a multitude of materials like e.g. mercury that are dangerous for the environment.

LED lights contain no toxic materials and are 100% recyclable, and will help you to reduce your carbon footprint by up to a third. The long operational life time span mentioned above means also that one LED light bulb can save material and production of 25 incandescent light bulbs. A big step towards a greener future.

#### Zero UV Emissions:

LED illumination produces little infrared light and close to no UV emissions.

Because of this, LED lighting is highly suitable not only for goods and materials that are sensitive to heat due to the benefit of little radiated heat emission, but also for illumination of UV sensitive objects or materials such as in museums, art galleries, archeological sites etc.

#### Security Systems:

The Company has following Security Systems at its office and site:

- Fire Alarm System and
- Water Curtain System

### TECHNOLOGICAL ABSORPTION

Your Company has not imported any technology. However, we believe and use information technology extensively in all spheres of our activities to improve efficiency levels.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lacs)

Year	2015-16	2014-15
Foreign exchange earnings	-	-
Foreign exchange outgo	233.23	123.56

### PARTICIPATION IN THE GREEN INITIATIVE

Your Company continues to wholeheartedly participate in the Green Initiative undertaken by the Ministry of Corporate Affairs ("MCA") for correspondences by Corporates to its shareholders through electronic mode. All the shareholders who have not so far substituted / updated their e-mail id are requested to join the said program at sending e-mail of their preferred e-mail addresses to the R&T at [rajeev.kr@karvy.com](mailto:rajeev.kr@karvy.com) or to the Company on [info@hdil.in](mailto:info@hdil.in).

### REGULATORY ACTION

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

### INFORMATION OF MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 28, 2016, being the date of this report.

### CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations including raw material availability and its price, pricing in the Company's principle markets, changes in Government regulations, Tax regimes and economic developments within India.

### APPRECIATION

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by the employees of the Company and its Associates at all levels and wish to convey their appreciation to the Banks, Financial Institutions, Government Authorities, Customers and other Stakeholders for the excellent assistance and co-operation received and wish to place on record their gratitude to the Members for their trust, support and confidence reposed in the Company.

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**  
 Executive Chairman

Place: Mumbai  
 Date: May 28, 2016

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	L70100MH1996PLC101379
2. Registration Date	July 25, 1996
3. Name of the Company	Housing Development and Infrastructure Limited
4. Category / Sub-category of the Company	Public Company / Limited by Shares
5. Address of the Registered office and contact details	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Tel.: +91 22 6788 9000, Fax: +91 22 6788 9090 e-mail id: <a href="mailto:info@hdil.in">info@hdil.in</a> , Website: <a href="http://www.hdil.in">www.hdil.in</a>
6. Whether listed Company	Yes
7. Name, Address and Contact details of the Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower-B, Plot No. 31 and 32, Financial District, Gachibowli, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 Tel: +91 040 6716 1500 Toll Free No.: 1800 3454 001 Fax: +91 040 2300 1153 e-mail id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website: <a href="http://www.karvy.com">www.karvy.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the company shall be stated):

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Blue Star Realtors Private Limited	Dewan Tower, Station Road, Vasai (West), Thane – 401 202	U45200MH1990PTC055968	Subsidiary	100.00	2(87)(ii)
2	BKC Developers Private Limited	5 <sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051	U74999MH2003PTC143045	Subsidiary	98.50	2(87)(ii)
3	Excel Arcade Private Limited	3 <sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	U45400MH2007PTC169321	Subsidiary	100.00	2(87)(ii)
4	Guruashish Construction Private Limited	Ground Floor, Siddharth Nagar No. 1, Opp. Siddharth Nagar Post Office, Goregaon (West), Mumbai – 400 104	U45200MH2000PTC126895	Subsidiary	100.00	2(87)(ii)
5	HC Infracity Private Limited	A-20, Kailash Colony, New Delhi, Delhi – 110 048	U70101DL2011PTC228147	Subsidiary	75.00	2(87)(ii)
6	Lashkaria Construction Private Limited	102, 1 <sup>st</sup> Floor, Diamond Apartment, CTS No.198, New Link Road, Oshiwara, Mumbai – 400 102	U70100MH2000PTC128723	Subsidiary	69.00	2(87)(ii)
7	Mazda Estates Private Limited	3 <sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051	U70100MH2004PTC136339	Subsidiary	100.00	2(87)(ii)
8	Privilege Power and Infrastructure Private Limited	3 <sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	U65990MH1984PTC033927	Subsidiary	100.00	2(87)(ii)
9	Ravijyot Finance and Leasing Private Limited	Laxmi Palace, Mathuradas Road, Kandivali (West), Mumbai – 400 067	U67120MH1995PTC086603	Subsidiary	60.00	2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	8,82,04,176	-	8,82,04,176	21.05	8,02,06,776	-	8,02,06,776	19.14	(1.91)
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5,33,46,984	-	5,33,46,984	12.73	5,33,46,984	-	5,33,46,984	12.73	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other Promoter's Relatives	99,65,648	-	99,65,648	2.38	99,65,648	-	99,65,648	2.38	-
<b>Sub-total (A)(1)</b>	<b>15,15,16,808</b>	<b>-</b>	<b>15,15,16,808</b>	<b>36.16</b>	<b>14,35,19,408</b>	<b>-</b>	<b>14,35,19,408</b>	<b>34.25</b>	<b>(1.91)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>15,15,16,808</b>	<b>-</b>	<b>15,15,16,808</b>	<b>36.16</b>	<b>14,35,19,408</b>	<b>-</b>	<b>14,35,19,408</b>	<b>34.25</b>	<b>(1.91)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	2,04,939	-	2,04,939	0.05	40,07,828	-	40,07,828	0.96	0.91
b) Banks / FI	4,65,565	-	4,65,565	0.11	8,46,122	-	8,46,122	0.20	0.09
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,47,857	-	1,47,857	0.04	1,47,857	-	1,47,857	0.04	-
g) FIs	20,54,18,580	-	20,54,18,580	49.03	18,41,27,259	-	18,41,27,259	43.94	(5.09)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others:	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>20,62,36,941</b>	<b>-</b>	<b>20,62,36,941</b>	<b>49.22</b>	<b>18,91,29,066</b>	<b>-</b>	<b>18,91,29,066</b>	<b>45.13</b>	<b>(4.09)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
Indian	1,77,58,026	65	1,77,58,091	4.24	2,06,46,175	65	2,06,46,240	4.93	0.69
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	3,52,48,596	43,540	3,52,92,136	8.42	4,38,99,823	41,371	4,39,41,194	10.49	2.07
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	55,81,035	12,857	55,93,892	1.34	1,52,59,902	12,857	1,52,72,759	3.65	2.31
c) Others (specify)									
Non Resident Indians	14,45,598	-	14,45,598	0.35	18,71,462	-	18,71,462	0.45	0.10
Directors other than Promoter Director and their Relatives	47,378	3,857	51,235	0.01	47,378	3,857	51,235	0.01	-
Overseas Corporate Bodies	13	-	13	0.00	13	-	13	0.00	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	11,08,315	-	11,08,315	0.26	45,53,632	-	45,53,632	1.09	0.83
Trusts	957	-	957	0.00	957	-	957	0.00	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	18,020	-	18,020	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>6,11,89,918</b>	<b>60,319</b>	<b>6,12,50,237</b>	<b>14.62</b>	<b>8,62,97,362</b>	<b>58,150</b>	<b>8,63,55,512</b>	<b>20.62</b>	<b>6.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>26,74,26,859</b>	<b>60,319</b>	<b>26,74,87,178</b>	<b>63.84</b>	<b>27,54,26,428</b>	<b>58,150</b>	<b>27,54,84,578</b>	<b>65.75</b>	<b>1.91</b>
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>41,89,43,667</b>	<b>60,319</b>	<b>41,90,03,986</b>	<b>100.00</b>	<b>41,89,45,836</b>	<b>58,150</b>	<b>41,90,03,986</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoter (including Promoter Group):**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Rakesh Kumar Wadhawan	7,60,47,661	18.15	-	7,60,47,661	18.15	-	-
2	Mr. Sarang Wadhawan	41,59,115	0.99	-	41,59,115	0.99	-	-
3	Mr. Waryam Singh	79,97,400	1.91	-	-	-	-	(1.91)
4	Mrs. Malti Rakesh Kumar Wadhawan	81,00,000	1.93	-	81,00,000	1.93	-	-
5	Mrs. Anjana Rameshchandra Sakhuja	11,37,142	0.27	-	11,37,142	0.27	-	-
6	Mrs. Anu Sarang Wadhawan	5,03,222	0.12	-	5,03,222	0.12	-	-
7	Mrs. Romy Mehra	1,68,142	0.04	-	1,68,142	0.04	-	-
8	Mrs. Nikita Trehan	57,142	0.01	-	57,142	0.01	-	-
9	Interactive MultiMedia Technologies Private Limited	1,53,90,385	3.67	-	1,53,90,385	3.67	-	-
10	Dheeraj Consultancy Private Limited	1,38,85,714	3.32	-	1,38,85,714	3.32	-	-
11	Dinshaw Trapinex Builders Private Limited	1,38,85,714	3.32	-	1,38,85,714	3.32	-	-
12	Privilege Distilleries Private Limited	1,01,85,171	2.43	-	1,01,85,171	2.43	-	-
	<b>Total</b>	<b>15,15,16,808</b>	<b>36.16</b>	<b>-</b>	<b>14,35,19,408</b>	<b>34.25</b>	<b>-</b>	<b>(1.91)</b>

**(iii) Change in Promoters' Shareholding (including Promoter Group):**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Waryam Singh				
	At the beginning of the year:	79,97,400	1.91	79,97,400	1.91
	Date wise increase / (decrease) in Promoters Shareholding during the year specifying the reason for increase/ decrease:	(79,97,400)	(1.91)	-	-
	Gift to relatives on March 22, 2016	-	-	-	-
	At the end of the year:	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
Orbis Sicav - Asia Ex-Japan Equity Fund	3,29,90,632	7.87	-	-	3,29,90,632	7.87
Platinum Asia Fund	3,14,46,227	7.50	(29,09,000)	Transfer	2,85,37,227	6.81
Merrill Lynch Capital Markets Espana S.A.S.V.	2,72,98,007	6.51	(1,27,83,355)	Transfer	1,45,14,652	3.46
Morgan Stanley Asia (Singapore) PTE.	80,03,258	1.91	24,25,022	Transfer	1,04,28,280	2.49
Educational and Scientific Equipments Private Limited	78,68,571	1.88	-	-	78,68,571	1.88
Platinum International Fund	59,68,125	1.42	13,23,000	Transfer	72,91,125	1.74
Government Pension Fund Global	61,56,111	1.47	-	-	61,56,111	1.47
Orbis Global Equity Fund Limited	57,09,943	1.36	-	-	57,09,943	1.36
Emerging Markets Core Equity Portfolio	43,81,308	1.05	10,65,961	Transfer	54,47,269	1.30
Aria Co. PTY. LTD. as Trustee for combined Investment	3,73,997	0.09	42,42,000	Transfer	46,15,997	1.10

Note: Top ten shareholders of the Company as on March 31, 2016, has been considered for the above disclosure.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>At the beginning of the year: Directors and KMP:</b>					
1	Mr. Rakesh Kumar Wadhawan	7,60,47,661	18.15	7,60,47,661	18.15
2	Mr. Sarang Wadhawan	41,59,115	0.99	41,59,115	0.99
3	Mr. Ashok Kumar Gupta	5,800	0.00	5800	0.00
4	Mr. Lalit Mohan Mehta	-	-	-	-
5	*Mr. Shyam Sunder Dawra	-	-	-	-
6	Mr. Raj Kumar Aggarwal	-	-	-	-
7	Mrs. Sandhya Baliga	-	-	-	-
8	Mr. Hazari Lal	-	-	-	-
9	Mr. Darshan D. Majmudar	-	-	-	-
<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.)</b>					
<b>At the end of the year:Directors and KMP:</b>					
1	Mr. Rakesh Kumar Wadhawan	7,60,47,661	18.15	7,60,47,661	18.15
2	Mr. Sarang Wadhawan	41,59,115	0.99	41,59,115	0.99
3	Mr. Ashok Kumar Gupta	5,800	0.00	5,800	0.00
4	Mr. Lalit Mohan Mehta	-	-	-	-
5	Mr. Raj Kumar Aggarwal	-	-	-	-
6	Mrs. Sandhya Baliga	-	-	-	-
7	Mr. Hazari Lal	-	-	-	-
8	Mr. Darshan D. Majmudar	-	-	-	-

\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be Director w.e.f. February 10, 2016.

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued but not due for payment:**

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,20,645.75	-	-	2,20,645.75
ii) Interest due but not paid	13,849.69	-	-	13,849.69
iii) Interest accrued but not due	1,795.71	-	-	1,795.71
<b>Total (i+ii+iii)</b>	<b>2,36,291.15</b>	-	-	<b>2,36,291.15</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	89,029.50	-	-	89,029.50
· Reduction	87,440.71	-	-	87,440.71
<b>Net Change</b>	<b>1,588.79</b>	-	-	<b>1,588.79</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,10,761.49	-	-	2,10,761.49
ii) Interest due but not paid	26,413.01	-	-	26,413.01
iii) Interest accrued but not due	705.44	-	-	705.44
<b>Total (i+ii+iii)</b>	<b>2,37,879.94</b>	-	-	<b>2,37,879.94</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and / or Manager: NIL - (A)**

Note: Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman and Managing Director have not taken any remuneration for the Financial Year 2015-16.

**B. Remuneration to other directors:**

							(₹ in Lacs)
Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
<b>1</b>	<b>Independent Directors</b>	<b>*Mr. Shyam Sunder Dawra</b>	<b>Mr. Lalit Mohan Mehta</b>	<b>Mr. Raj Kumar Aggarwal</b>	<b>Mrs. Sandhya Baliga</b>	<b>Mr. Hazari Lal</b>	
	Fee for attending Board / Committee Meetings	1.20	1.80	2.00	1.60	1.20	7.80
	Commission	29.45	34.11	34.11	34.11	34.11	165.89
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>30.65</b>	<b>35.91</b>	<b>36.11</b>	<b>35.71</b>	<b>35.31</b>	<b>173.69</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>**Mr. Ashok Kumar Gupta</b>					
	Fee for attending Board / Committee Meetings	2.20					2.20
	Commission	34.11					34.11
	Others, please specify	-					-
	<b>Total (2)</b>	<b>36.31</b>					<b>36.31</b>
	<b>Total = 1+2 (B)</b>						<b>210.00</b>
	Ceiling as per the Act	₹ 311.67 lacs (being 1% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)					
	<b>Total Managerial Remuneration = (A+B)</b>						<b>210.00</b>
	Overall Ceiling as per the Act	₹ 3,428.40 lacs (being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)					

\* Due to sad demise, Mr. Shyam Sunder Dawra ceased to be Director w.e.f. February 10, 2016.

\*\* Subsequently, Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

			(₹ in Lacs)	
Sr. No.	Particulars of Remuneration	Mr. Darshan D. Majmudar (CFO & CS)	Total Amount	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	35.28	35.28	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	24.72	24.72	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission			
	- as % of profit	-	-	
	- Others, specify	-	-	
5	Others, please specify	-	-	
	<b>Total</b>	<b>60.00</b>	<b>60.00</b>	

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
 Date: May 28, 2016

**Rakesh Kumar Wadhawan**  
 Executive Chairman

## FORM NO. MR-3

**Secretarial Audit Report for the Financial Year ended March 31, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

**The Members,****Housing Development and Infrastructure Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Housing Development and Infrastructure Limited** (hereinafter called "**the Company**").

The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2016, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 ("**the Act**") and the Rules made thereunder,
- (ii) The Securities Contract (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines Prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and share Transfer Agents) Regulations, 1993 regarding the Act and dealing with Client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (i) Listing Agreements (upto November 30, 2015) and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (w.e.f. December 1, 2015).

I have also examined Compliance with the applicable clauses of the following:

1. Secretarial Standards issued by the Institute of Company Secretaries of India;
2. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations and representations made by the Management and subject to clarifications given to me, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines as Mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

All the decisions were carried out unanimously by the Members of the Board and Committees and the same were duly recorded in the minutes of the Meeting of the Board of Directors and the Committees thereof.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the year, the Company has altered Memorandum of Association for increase in Authorized Share Capital of the Company.

I further report that during the audit period, there were no instances of:

- i. Public / Preferential issue of shares / debentures / sweat equity.
- ii. Buy-Back of securities.
- iii. Major decisions taken by the Members in pursuance of Section 180 of the Act.
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations

For **SG and Associates,**

**Suhas Ganpule,**  
 Proprietor  
 Practicing Company Secretaries  
 Membership No: 12122  
 C. P. No: 5722

Date: May 21, 2016  
 Place: Mumbai

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as under:

Sr. No.	Requirement	Disclosure																					
1	the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year ("F.Y."):	<table border="1"> <thead> <tr> <th>Name of the Director</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Mr. Ashok Kumar Gupta</td> <td>11.52</td> </tr> <tr> <td>Mr. Lalit Mohan Mehta</td> <td>11.40</td> </tr> <tr> <td>Mr. Raj Kumar Aggarwal</td> <td>11.46</td> </tr> <tr> <td>Mrs. Sandhya Baliga</td> <td>11.33</td> </tr> <tr> <td>Mr. Hazari Lal</td> <td>11.21</td> </tr> </tbody> </table> <p>Note: Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman and Managing Director, have not taken any remuneration for the F.Y. 2015-16.</p>	Name of the Director	Ratio	Mr. Ashok Kumar Gupta	11.52	Mr. Lalit Mohan Mehta	11.40	Mr. Raj Kumar Aggarwal	11.46	Mrs. Sandhya Baliga	11.33	Mr. Hazari Lal	11.21									
Name of the Director	Ratio																						
Mr. Ashok Kumar Gupta	11.52																						
Mr. Lalit Mohan Mehta	11.40																						
Mr. Raj Kumar Aggarwal	11.46																						
Mrs. Sandhya Baliga	11.33																						
Mr. Hazari Lal	11.21																						
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the F.Y.:	<table border="1"> <thead> <tr> <th>Name of the Director</th> <th>Category</th> <th>% increase</th> </tr> </thead> <tbody> <tr> <td>Mr. Ashok Kumar Gupta</td> <td>Director</td> <td>7.77</td> </tr> <tr> <td>Mr. Lalit Mohan Mehta</td> <td>Director</td> <td>5.96</td> </tr> <tr> <td>Mr. Raj Kumar Aggarwal</td> <td>Director</td> <td>6.55</td> </tr> <tr> <td>Mrs. Sandhya Baliga</td> <td>Director</td> <td>129.41</td> </tr> <tr> <td>Mr. Hazari Lal</td> <td>Director</td> <td>129.79</td> </tr> <tr> <td>Mr. Darshan D. Majmudar</td> <td>CFO &amp; CS</td> <td>0</td> </tr> </tbody> </table> <p>Note:</p> <ul style="list-style-type: none"> <li>There was no per se increment or any increase in the remuneration of the Directors of the Company. Non-Executive Directors of the Company are paid commission up to 1% of the net profit of the Company subject to maximum amount of ₹ 2,00,00,000 and hence the change in remuneration is due to change in the number and the tenure of the concerned Director of the Company.</li> <li>Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman and Managing Director, have not taken any remuneration for the F.Y. 2015-16.</li> </ul>	Name of the Director	Category	% increase	Mr. Ashok Kumar Gupta	Director	7.77	Mr. Lalit Mohan Mehta	Director	5.96	Mr. Raj Kumar Aggarwal	Director	6.55	Mrs. Sandhya Baliga	Director	129.41	Mr. Hazari Lal	Director	129.79	Mr. Darshan D. Majmudar	CFO & CS	0
Name of the Director	Category	% increase																					
Mr. Ashok Kumar Gupta	Director	7.77																					
Mr. Lalit Mohan Mehta	Director	5.96																					
Mr. Raj Kumar Aggarwal	Director	6.55																					
Mrs. Sandhya Baliga	Director	129.41																					
Mr. Hazari Lal	Director	129.79																					
Mr. Darshan D. Majmudar	CFO & CS	0																					
3	the percentage increase in the median remuneration of employees in the F.Y.:	There is 28.13% increase in median remuneration of employees in F.Y. 2015-16.																					
4	the number of permanent employees on the rolls of Company:	As on March 31, 2016, there were 670 employees on the rolls of Company.																					
5	the explanation on the relationship between average increase in remuneration and company performance	The Net Profit for the F.Y. ended March 31, 2016, increased by 17.07% whereas the increase in median remuneration was 28.13%.																					
6	comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The total remuneration of Key Managerial Personnel of the Company was 0.21 % of Profit Before Tax.																					
7	variations in the market capitalization of the company, price earnings ratio as at the closing date of the current F.Y. and previous F.Y. and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current F.Y. and previous F.Y.;	<p style="text-align: right;">(₹ in Lacs)</p> <table border="1"> <thead> <tr> <th>Particulates</th> <th>March 31, 2015</th> <th>March 31, 2016</th> <th>% change</th> </tr> </thead> <tbody> <tr> <td>Market Capitalization</td> <td>4,26,336.56</td> <td>30,650.14</td> <td>-28.11</td> </tr> <tr> <td>P E Ratio</td> <td>18.53</td> <td>8.95</td> <td>-51.70</td> </tr> </tbody> </table> <p>Stock price of HDIL as at March 31, 2016, has decreased by 85.37 % to ₹ 73.15 over the last public offering, i.e. IPO in July 2007 at the price of ₹ 500 per share.</p>	Particulates	March 31, 2015	March 31, 2016	% change	Market Capitalization	4,26,336.56	30,650.14	-28.11	P E Ratio	18.53	8.95	-51.70									
Particulates	March 31, 2015	March 31, 2016	% change																				
Market Capitalization	4,26,336.56	30,650.14	-28.11																				
P E Ratio	18.53	8.95	-51.70																				
8	average percentile increase already made in the salaries of employees other than the managerial personnel in the last F.Y. and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>There is 28.13% increase in median remuneration of employees other than the managerial personnel in the last F.Y..</p> <p>However, there was no change in the managerial remuneration.</p>																					

Sr. No.	Requirement	Disclosure		
9	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	<b>Name of the Director</b>	<b>Category</b>	<b>% of PBT</b>
		Mr. Rakesh Kumar Wadhawan	WTD	0.00
		Mr. Sarang Wadhawan	MD	0.00
		Mr. Darshan D. Majmudar	CFO & CS	0.21 %
10	the key parameters for any variable component of remuneration availed by the directors	Non-Executive Directors of the Company are paid commission up to 1% of the net profit of the Company subject to maximum amount of ₹ 2,00,00,000/- (Rupees Two Crores only) annually.		
11	the ratio of remuneration of the highest paid Director to that of the Employee who are not Directors but receive remuneration in excess of the highest paid Director during the year	11 (Eleven) employees who are not Directors but receive remuneration in excess of the highest paid Directors during the year. Considering the average remuneration of the above mentioned employees, the ratio works out to 1:1.41.		
12	affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.		

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY AND ECONOMIC SCENARIO

The sector has forward and backward linkages with more than 250 different sectors and is the second largest employment generator in India, after agriculture. The sector correlation with Gross Domestic Product (“GDP”) is as high as 0.78 times i.e. every ₹ 1 invested in sector directly adds ₹ 0.78 to GDP and there is significant room for improvement, as real estate sector’s correlation in other large economies is atleast 0.9 times.

According to economic survey 2015-16, the real estate sector constituted 7.4% of India’s GDP in 2014-15. Both domestic and global slowdown affected the sector, with growth decelerating from 4.4% in 2014-15 to 3.7% in 2015-16.

With Government’s focus on ease of doing business, changes in land acquisition laws, support provided for affordable housing; hurdles in developing projects have become considerably less. With a view to maintain targeted fiscal deficit and inflation levels, Government is on the right track to bring the economy back on growth trajectory.

The Government brought several reforms last year which are directed towards easing tight liquidity situation and boosting affordable housing and urban infrastructure.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Government of India along with the Governments of the respective states has taken several initiatives to encourage the development in the sector. ‘The Smart City Project’, where there is a plan to build 100 smart cities, is a prime opportunity to real estate companies.

The Government formalized its vision – ‘Housing for all by 2022’, which encompasses building six crore housing units through public-private partnership model. The Government also formalized several initiatives directed towards improving urban infrastructure. It has already identified 100 cities to be developed as Smart Cities, identified 500 cities for urban rejuvenation under ‘Atal Mission for Rejuvenation & Urban Transformation’ (“AMRUT”), and launched Heritage City Development & Augmentation Yojana (“HRIDAY”), which would transform urban infrastructure in 12 Heritage Cities.

The Government further relaxed foreign direct investment norms by removing the size and investment restrictions. Further, the lock-in restriction was relaxed allowing easy exit to investors. Lastly, the Government allowed investors to invest in completed properties, which was not allowed earlier.

The Reserve Bank of India reduced the risk weight for individual housing loans of up to ₹ 75 lacs from 50% to 35%. Further, it increased loan-to-value ratio to 90% for loans up to ₹ 30 lacs.

The Securities and Exchange Board of India (“SEBI”) has notified final regulations that will govern ‘Real Estate Investment Trusts’ (“REITs”) and ‘Infrastructure Investment Trusts’ (“InvITs”). This move will enable easier access to funds for cash-strapped developers and create a new investment avenue for institutions and high net worth individuals and eventually ordinary investors.

## OPPORTUNITIES AND THREATS

### • **Opportunities:**

The Central Government’s ambitious projects of housing for all, AMRUT have started taking shape as the Government is making provisions on those fronts. At the same time announcement of list of smart cities, Sardar Patel Urban Housing Mission and HRIDAY are proving to be necessary boost to the Real Estate Industry.

Many stagnant infrastructure projects are getting cleared and the construction speed of highways is at the highest this year which is expected to improve even more. Thus infrastructure development along with different provisions will help to make the environment more conducive for growth.

With fall in Real Estate prices and the implementation of Seventh pay commission comes as an opportunity as it may lead to a spur in sales for housing project across the country.

Your Company is a major player in Mumbai Real Estate market with a land reserve of approx. 241.73 million Sq.ft. as on March 31, 2016, with 90% of its land reserves in Mumbai Metropolitan Region.

Your Company has been a major player in residential, commercial, affordable housing and redevelopment spaces. Relaxation of policies with regards to affordable housing & redevelopment and market’s sign of regaining momentum will boost your Company in terms of new project launch and Floor Space Index (“FSI”) sale.

Private Equity Real Estate (“PERE”) firms deployed over \$5 billion in Indian real estate companies and projects - the highest since the financial crisis of 2008. PERE firms made around 90 investments in India during 2015. This comes as a great positive for the sector which is looking for revival.

### • **Threats and Risks Perception:**

The unstable European and Chinese economy adding turbulence to Global Markets, the hovering clouds of Brexit may have far fetching impact on domestic economy which might lead to a negative bearing on inflation or interest rates. It will largely impact the real estate sector. Federal Reserve’s signs of escalation in the interest rates might hold back investors from investing in Real Estate. This higher interest rates will increase the cost of borrowing which will impact the profitability and the tempo of funding.

Scarcity of developable urban land due to limited urban infrastructure and higher controls, resulting in inflation of prices; Land title related issues; absence of Real Estate regulatory resulting in lack of transparency and lower investor confidence. Some of the major threats to the development are limited access to long-term and low-cost funds, especially from banking channels including external commercial borrowings; significant shortage of skilled and unskilled workforce; higher rates of statutory charges and taxes tend to inflate the cost of construction making affordable housing projects financially unviable for developers. Lack of a strong micro finance sector makes it difficult for the Economically Weaker Sections (“EWS”) and Lower Income Groups (“LIG”) to secure housing finance credit.

The Company has in place a Risk Management Committee which monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The Board of Directors of your Company has in place a Risk Management Policy, which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

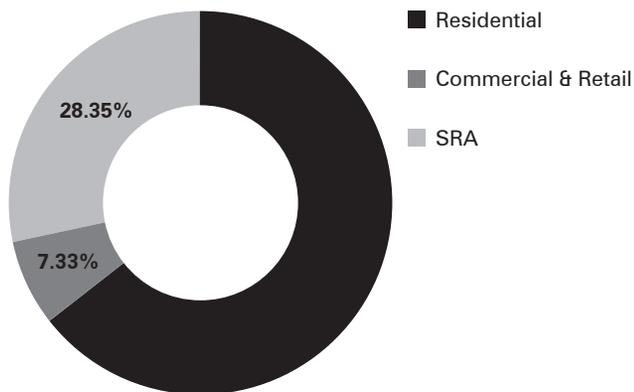
## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company has managed to improve its results over the previous year and the Management of your Company is satisfied with the performance during the current financial year. Top line

has been the major contributor to the profits, along with project sales, Transfer of Development Rights (“TDR”) and FSI sale have also added to the profitability of the Company. Your Company has the most efficient human capital with each team having expertise in its domain. Financial Year 2016-17 (“F.Y.”), has a terrific potential for your Company.

As on March 31, 2016, the portfolio of your Company comprised of residential component of 64.32%, commercial and retail 7.33% and SRA 28.35%.

**HDIL PROJECT MIX**



Presently, the Company is executing projects at Nahur, Mulund, Kurla, Andheri, Ghatkopar, Virar and Palghar. There are some projects at various stages of construction and providing possession of some projects has already commenced.

**OUTLOOK**

Even though the global scenario doesn’t look much conducive, Indian economy is expected stand its ground among the turmoil. With the sign of a better monsoon, inflation under control, reduction in interest rate being transferred by banks to the market and seventh pay commission implementation; the real estate industry is well positioned for a recovery.

Company’s major focus will be debt reduction with a plan to reduce it below ₹ 2000 Crore during this fiscal year. The Company will be focusing on project execution along with TDR and FSI sale.

**RISKS AND CONCERNS**

Economic conditions have a greater bearing on the sector as a whole. Hence, sales depend highly on the growth of the economy. Liquidity in the market is pivotal for speeding up project execution and launch of new projects.

Though Government has taken various initiatives, more efforts in terms of approvals, policies, liquidity and also timeline of approval are required. Otherwise there is a possibility of the projects getting delayed in approval process and the regulator putting the entire blame on the developer.

**INTERNAL CONTROL SYSTEMS**

The Resource optimisation i.e. optimal utilization of available resources plays a vital role in the Company’s performance. Internal control system helps in achieving pre-set objectives. Internal control ensures that all assets are safeguarded and protected against unauthorized use or disposal. Each and every transaction is processed through proper channel of authorized personnel and

is recorded and reported correctly. Internal Control System of the Company has been devised through its extensive experience that ensures control over various functions in its business. The internal auditor of the Company directly submits his reports to the Audit Committee. The statutory audit of the Company is conducted by M/s. Thar & Co., Chartered Accountants who submit their reports to the Board of Directors and Audit Committee. The performance of the Company is regularly reviewed by the Audit Committee and the Board of Directors to ensure that it is in consonance with the overall corporate policy and in line with pre-set objectives.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

For F.Y. 2016-17, the Company’s major focus will be Debt reduction with a plan to reduce it below ₹ 2000 Crore. The Company will be focusing on project execution along with TDR and FSI sale.

The key components of our strategy will be focused around:

- Speedy Project Execution;
- Handing over of Possession;
- Sale of TDR and FSI and
- Financial Strength and Liquidity

Wealth maximisation of our investors and stakeholders has been our strength and major objective. Our major focus is on improving end customer experience by providing good quality product at reasonable pricing with high product visibility and customised sales agreement. Improving product quality and timely execution has been and will always be our priority.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

Human Resources are capital of the Company. It could be invested through education and training which leads to an improvement in the quality and level of production.

In Real Estate industry, manpower is the most important asset. In your Company, relations between employees and the Management continued to be cordial during the year. The Company has always given importance for developing individuals as well as teams. The system followed is transparent and performance based and it endeavors to retain, develop and provide better working environment to the employees by providing an atmosphere of trusteeship, competition and challenge, thereby providing opportunities for personal and professional growth, through training and ample career enhancement opportunities.

HDIL’s Learning & Development initiatives are focused on enhancing functional skills and competencies of its employees. Learning & Development interventions include Executive Development Programs, e-learning and various class room based training programs.

HDIL has shown full commitment towards employees, investors, contractors, consultants and all related personnel by providing safe working conditions along with other welfare measures.

The total strength of permanent employees as on March 31, 2016, is 670.

The Company enjoys cordial relations including industrial relations across all the sectors and continues its relations with all the stakeholders.

## INTRODUCTION

Corporate Governance provides a roadmap for a Company, helping the Management of a Company to make decisions based on the rule of law which benefits to stakeholders and practical processes. It allows a Company to set realistic goals and methodologies for attaining those goals by adopting fair and transparent policies and facilitates highest level of lucidity and integrity in the functioning of Company. Corporate Governance visualizes equity in all facets of its operations and all its interactions with shareholders, customers, Government, suppliers, lenders and to build the confidence of the society in general.

Your Company believes that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. In order to promote good governance, the Company has followed the best practices, processes and policies based on conscience, openness, fairness, professionalism and accountability. The Corporate Governance standards demonstrate inalienable right vested with various stakeholders and strong commitment to value, ethics and business conduct. The Company is committed to good Corporate Governance, based on an effective Independent Board, separation of supervisory role from the Executive Management and the constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction.

Responsible infrastructure development with sustainable business practices builds the core of Company's business strategy. This is our way to consistent, competitive, profitable and responsible growth and creating long term value for our stakeholders. It allows a Company to set pragmatic goals and methodologies for attaining those goals by adopting fair and transparent policies.

The Company is in Compliance with the requirements as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period from April 1, 2015 to November 30, 2015 and as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of Listing Regulations for the period from December 1, 2015 to March 31, 2016.

## COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The Company is committed to do business in an efficient, responsible, honest and ethical manner. Corporate Governance practice goes beyond compliance and involves a company-wide commitment and has become the integral part of business to ensure fairness, transparency and integrity of the Management. Good governance responsibilities encompasses the activities of the Board of Directors ("the Board"), who execute their Corporate Governance responsibilities by focusing on the Company's strategic

/ Committee positions in other Companies as on March 31, 2016, is as under:

Name of the Director	Director Identification Number	Category	Other Directorships	Committee positions		Shareholding
				Chairman	Member	
Mr. Rakesh Kumar Wadhawan	00028573	Promoter and Executive Chairman	8	-	-	7,60,47,661
Mr. Sarang Wadhawan	00028608	Promoter and Vice Chairman & Managing Director	8	-	6	41,59,115
*Mr. Ashok Kumar Gupta	00145816	Non-Executive Director	2	-	-	5,800
Mr. Lalit Mohan Mehta	00458975	Non-Executive Independent Director	-	-	-	-
**Mr. Shyam Sunder Dawra	00310987	Non-Executive Independent Director	-	-	-	-
Mr. Raj Kumar Aggarwal	02034914	Non-Executive Independent Director	1	1	-	-
Mrs. Sandhya Baliga	07015987	Non-Executive Independent Director	7	3	4	-
Mr. Hazari Lal	06696100	Non-Executive Independent Director	7	4	3	-

\*Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

\*\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be Director w.e.f. February 10, 2016.

### Note:

- The Directorship, held by Directors as stated above, does not include Alternate Directorships and Directorships in foreign companies, companies registered under section 8 of the Act and private limited companies.

and operational excellence in the best interests of all stakeholders of the Company, in particular shareholders, employees and our customers in a balanced fashion with long term benefits to all. Good Corporate Governance provides an appropriate framework for the Board, its Committees and the Executive Management to carry out the objectives that are in the interest of the Company and the Stakeholders. The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The business policies are based on ethical conduct, health, safety and a commitment to building long-term sustainable relationships with relevant Stakeholders. The Company is committed to continually evolve and adopt appropriate Corporate Governance best practices.

The philosophy of Corporate Governance is a principle based on our values and principles, which are reinforced at all levels within the Company. We ensure:

- Transparency, fairness and timely disclosures;
- Fair and Equitable treatment to all shareholders and protection of shareholder's interests and rights;
- Compliances with all applicable laws and regulations;
- Ethical business decisions to meet stakeholder expectations and
- Accountability of the Board to the Company and its Stakeholders.

## BOARD OF DIRECTORS

The Board of Directors are entrusted with the ultimate responsibility of the Management, general affairs, direction and performance of the Company and have been vested with requisite powers, authorities and duties. The Management of the Company is headed by Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman & Managing Director and has business / functional heads as its Members, which looks after the Management of the day to day affairs of the Company.

## COMPOSITION OF BOARD

The Board of Directors of the Company comprises such number of Executive and Non-Executive Directors as required under applicable legislation. As on March 31, 2016, the Board consists of Seven Directors comprising a Executive Chairman, Vice Chairman & Managing Director, Non-Executive Director and four Non-Executive Independent Directors including a Woman Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

All the Independent Directors have confirmed that they meet the 'Independence' criteria as mentioned under Section 149(6) of the Companies Act, 2013 ("the Act") and Regulation 16(1)(b) of the Listing Regulations.

The Composition of the Board, category of Directors and Directorship

- In accordance with the Regulation 26 of Listing Regulations, Membership / Chairmanship of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (Excluding Housing Development and Infrastructure Limited) have been considered.

#### Board Meetings:

Attendance in the last Annual General Meeting (“AGM”) and the number of Board Meetings held and attended during the year are as under:

Sr. No.	Name of the Director	Category	Number of Board Meetings		Last AGM 30/09/2015
			Held	Attended	
1	Mr. Rakesh Kumar Wadhawan	Promoter and Executive Chairman	4	4	Yes
2	Mr. Sarang Wadhawan	Promoter and Vice Chairman & Managing Director	4	4	Yes
3	*Mr. Ashok Kumar Gupta	Non-Executive Director	4	4	Yes
4	Mr. Lalit Mohan Mehta	Non-Executive Independent Director	4	3	Yes
5	**Mr. Shyam Sunder Dawra	Non-Executive Independent Director	4	2	Yes
6	Mr. Raj Kumar Aggarwal	Non-Executive Independent Director	4	4	Yes
7	Mrs. Sandhya Baliga	Non-Executive Independent Director	4	4	Yes
8	Mr. Hazari Lal	Non-Executive Independent Director	4	4	Yes

\*Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

\*\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be Director w.e.f. February 10, 2016.

#### Meetings:

During the period under review, 4 (Four) Board Meetings were held on May 15, 2015, August 10, 2015, November 7, 2015 and February 13, 2016.

The gap between any two consecutive Meetings did not exceed one hundred and twenty days.

#### BOARD PROCEDURES

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in compliance with the requirements of the Act, Listing Regulations and other applicable laws and regulations.

The Board meets at least once in a quarter to review quarterly performance and financial results. Notice of Board Meetings along with agenda papers are circulated well in advance to all the Directors. All material information is incorporated in the agenda papers for facilitating focused discussions at the Meeting and the same are circulated in advance to the Directors.

The Board, in consultation with the Chairman, is free to recommend inclusion of any matter for discussions at the Meeting. In case of exigencies or any other item which is not included in Agenda are discussed only upon permission of Chairman of the Meeting and in presence of atleast one Independent Director.

Inter-se relationships between Directors and Key Managerial Personnel of the Company:

Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan share the relationship of father and son. Except Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan, none of the Directors and Key Managerial Personnel (“KMP”) of the Company holds inter-se relationships.

#### INDEPENDENT DIRECTORS’ MEETING

Pursuant to Clause VII of the Code for Independent Directors, Schedule IV to the Act and Regulation 25(3) of the Listing Regulations, the Meeting of Independent Directors of the Company was held on March 15, 2016 and the following matters were discussed:

- the performance of Non-Independent Directors and the Board of Directors as a whole;
- the performance of the Executive Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties and
- corporate governance practices followed by the Company.

#### COMMITTEES OF DIRECTORS

In compliance with the Listing Regulations (both mandatory and non-mandatory) and the Act, as on March 31, 2016, the Board has seven committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee (“CSR Committee”), Finance Committee and Project Committee.

The Committees have optimum combination of Executive, Non-Executive and Independent Directors including a Woman Director. The Committees are constituted with specific terms of reference and scope to deal with specific matters expeditiously. The details of the Committees constituted by the Board are as under:

#### AUDIT COMMITTEE

##### i. Composition and Attendance:

The Audit Committee comprises of experts specialized in Accounting and Financial Management. The Chairperson of the Audit Committee is a Non-Executive Independent Director. The composition of the Audit Committee, as on March 31, 2016, is as under:

Sr. No.	Name of the Director	Category	Designation	Number of Meetings	
				Held	Attended
1	Mrs. Sandhya Baliga	Non-Executive Independent Director	Chairperson	4	3
2	*Mr. Ashok Kumar Gupta	Non-Executive Director	Member	4	4
3	Mr. Lalit Mohan Mehta	Non-Executive Independent Director	Member	4	3
4	**Mr. Shyam Sunder Dawra	Non-Executive Independent Director	Member	4	2
5	Mr. Raj Kumar Aggarwal	Non-Executive Independent Director	Member	4	4

\*Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

\*\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be the Member of the Committee w.e.f. February 10, 2016.

**ii. Meetings:**

During the period under review, 4 (Four) Audit Committee Meetings were held on May 15, 2015, August 10, 2015, November 7, 2015 and February 13, 2016.

The Chief Financial Officer & Company Secretary has regularly attended the Audit Committee Meetings. The Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings.

**iii. Terms of reference:**

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory and internal Auditors, one-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, review of Business Risk Management Plan, Management Discussions and Analysis, review of Internal Audit Reports, significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. In fulfilling above role, Audit Committee has powers to investigate any activity within terms of reference, to seek information from employees and to obtain outside legal and professional advice.

**NOMINATION AND REMUNERATION COMMITTEE**

The Board has framed the Nomination and Remuneration Committee Charter which ensures effective compliance of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Board has clearly defined the terms of reference for the Nomination and Remuneration Committee, which are as under:

**i. Composition:**

The composition of the Nomination and Remuneration Committee is as under:

Sr. No.	Name of Member	Category	Designation	Number of Meetings	
				Held	Attended
1	*Mr. Shyam Sunder Dawra	Non-Executive Independent Director	Chairman	1	1
2	*Mr. Lalit Mohan Mehta	Non-Executive Independent Director	Chairman	N.A.	N.A.
3	**Mr. Ashok Kumar Gupta	Non-Executive Director	Member	1	1
4	Mr. Raj Kumar Aggarwal	Non-Executive Independent Director	Member	1	1

\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be the Chairman of the Committee w.e.f. February 10, 2016, pursuant to which the Board of Directors of the Company at its Meeting held on February 13, 2016, appointed Mr. Lalit Mohan Mehta as the Chairman of the Nomination and Remuneration Committee.

\*\*Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

**ii. Meetings:**

During the period under review, the Committee has met on May 15, 2015.

**iii. Terms of Reference:**

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / whole-time Director and Senior Management.
- To help in determining the appropriate size, diversity and composition of the Board.
- To recommend to the Board appointment and removal of Director.
- To frame criteria determining qualifications, positive attributes and independence of Directors.
- To recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Act, is to be considered).
- To create an evaluation framework for Independent Directors and the Board.
- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors.
- To assist in developing a succession plan for the Board.
- To assist the Board in fulfilling responsibilities entrusted from time to time.
- Delegation of any of its power to any Member of the Committee or the Compliance Officer.

**iv. Performance Evaluation Criteria for Directors:**

The criterion for performance evaluation is as under:

**Role of Accountability:**

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

**Objectivity:**

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

**Leadership and Initiative:**

- Heading Board and sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

**Personal Attributes:**

- Commitment to role and fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

**Nomination and Remuneration Policy:**

The Company has in place a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel

and the policy is annexed as annexure I

The details of remuneration of Non-Executive Directors during the F.Y. 2015-16:

(₹ in Lacs)

Sr. No.	Director	Remuneration paid during F.Y. 2015-16\$		
		Sitting fees	Commission#	Total
1	*Mr. Ashok Kumar Gupta	2.20	34.11	36.31
2	Mr. Lalit Mohan Mehta	1.80	34.11	35.91
3	**Mr. Shyam Sunder Dawra	1.20	29.45	30.65
4	Mr. Raj Kumar Aggarwal	2.00	34.11	36.11
5	Mrs. Sandhya Baliga	1.60	34.11	35.71
6	Mr. Hazari Lal	1.20	34.11	35.31

\* Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

\*\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be Director w.e.f. February 10, 2016.

# Subject to the approval of Annual Accounts for the F.Y. 2015-16 by the Members at 20<sup>th</sup> AGM to be held on September 29, 2016. None of the Non-Executive Directors has any pecuniary interest in the Company, except for Sitting Fees and Commission.

\$ Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman & Managing Director have not taken any remuneration for the F.Y. 2015-16.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

This Committee is in place to specifically look into issues relating to redressal of the investors / shareholders complaints including complaints relating to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends and/or any other matter relating to investor / shareholders.

##### i. Composition:

The composition of the Stakeholders Relationship Committee is as under:

Sr. No.	Name of Member	Category	Designation	Number of Meetings	
				Held	Attended
1	Mr. Lalit Mohan Mehta	Non-Executive Independent Director	Chairman	1	1
2	Mr. Sarang Wadhawan	Vice Chairman & Managing Director	Member	1	1
3	*Mr. Ashok Kumar Gupta	Non-Executive Director	Member	1	1

\*Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

Mr. Darshan D. Majmudar is the "Compliance Officer" pursuant to the requirement of the Listing Regulations. The Committee Meetings takes place depending on the business requirement.

##### ii Details of Compliance Officer:

<b>Name and Designation of the Compliance Officer</b>	Mr. Darshan D. Majmudar Chief Financial Officer & Company Secretary
<b>Address &amp; Contact details</b>	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Tel.: +91 22 6788 9052, Fax: +91 22 6788 9090
<b>e-mail id</b>	<a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>

##### iii. Meetings:

During the period under review, the Committee has met on May 15, 2015.

##### iv. Terms of reference:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Approve issue of the Company's duplicate share / debenture certificates.
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee performance of the Company's Registrar and Share Transfer Agent ("RTA").
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

##### v. Investors' Complaints:

The Company and Karvy Computershare Private Limited, RTA, attend to all grievances of the investors received directly or through SEBI, Stock Exchanges and Registrar of Companies ("ROC") etc.

The detail of complaints received, cleared / pending during the F.Y. 2015-16 is as under:

No. of complaints received	:	8
No. of complaints resolved	:	8
No. of complaints withdrawn	:	Nil
No. of complaints pending	:	Nil

Note : During the F.Y. 2015-16, the Company has received 121 queries through e-mails and all of these queries were answered appropriately.

#### RISK MANAGEMENT COMMITTEE

Business Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a robust risk management framework to identify, monitor and minimise risk as also identify business opportunities.

**i. Composition:**

The composition of the Risk Management Committee is as under:

Name of Member	Category	Designation	Number of Meetings	
			Held	Attended
*Mr. Ashok Kumar Gupta	Non-Executive Director	Chairman	1	1
Mr. Sarang Wadhawan	Vice Chairman & Managing Director	Member	1	1
Mr. Hazari Lal	Non-Executive Independent Director	Member	1	1

\*Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

**ii. Meetings:**

During the period under review, the Committee has met on May 15, 2015.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The composition of CSR Committee is pursuant to the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to Provisions of Section 135 of the Act, the Company was required to spend ₹ 437.67 Lacs during the F.Y. 2015-16.

**i. Composition:**

The composition of the CSR Committee is as under:

Name of Member	Category	Designation	Number of Meetings	
			Held	Attended
*Mr. Rakesh Kumar Wadhawan	Executive Chairman	Chairman	N.A.	N.A.
Mr. Sarang Wadhawan	Vice Chairman & Managing Director	Member	1	1
Mr. Lalit Mohan Mehta	Non-Executive Independent Director	Member	1	1
*Mr. Shyam Sunder Dawra	Non-Executive Independent Director	Member	1	1

\*Due to sad demise, Mr. Shyam Sunder Dawra ceased to be a Member of the Committee w.e.f. February 10, 2016, pursuant to which the Board of Directors of the Company at its Meeting held on February 13, 2016, appointed Mr. Rakesh Kumar Wadhawan as the Chairman of the CSR Committee.

**ii. Meetings:**

During the period under review, the Committee has met on May 15, 2015.

**iii. Terms of reference:**

- To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy indicating activities to be undertaken by the Company in compliance with the provisions of the Act and rules made thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable as may be necessary or appropriate for performance of its duties.

**FINANCE COMMITTEE**
**i. Composition:**

The composition of the Finance Committee is as under:

Name of Member	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Rakesh Kumar Wadhawan	Executive Chairman	Chairman	4	4
Mr. Sarang Wadhawan	Vice Chairman & Managing Director	Member	4	4
*Mr. Ashok Kumar Gupta	Non-Executive Director	Member	4	4

\*Mr. Ashok Kumar Gupta was appointed as a Non-Executive Independent Director w.e.f. May 28, 2016.

**ii. Meetings:**

During the period under review, the Committee met 4 (Four) times on July 10, 2015, August 26, 2015, November 25, 2015 and January 13, 2016.

**iii. Terms of reference:**

- To mortgage and / or create charge on all or any moveable / immoveable properties or such other assets of the Company not exceeding the amount as approved by the Members under Section 180(1)(a) of the Act.
- To borrow money not exceeding the amount as decided by the Shareholders under Section 180(1)(c) of the Act and to modify / restructure terms of any security of existing loans, debentures or such other securities and issue guarantees on behalf of the Company and to allot securities.
- To buy and sell the investments of the Company.
- To open banking account, avail various banking services / facilities and to issue instructions for operation of banking accounts.
- To authorise and / or appoint lawyers, advocates, attorney, persons, firm(s), to make representations and

to sign, execute, swear, affirm, file affidavits, declaration, vakalatnama, written statement, rejoinder(s), replies, submit necessary documents, enter into various agreements on behalf of the Company.

- To authorise and appoint any person(s) to appear before any authority, government / statutory bodies, courts or Company.
- To develop, submit and apply for bid / tender for any projects whether related to the Company's object or not.
- To make application(s) for registration under any act, statute, regulations, authority in the name of the Company and / or to authorise to do so on behalf of the Company.

### GENERAL BODY MEETINGS

Details of venue, day, date and time where the last three AGM of the Company were held:-

Financial Year	Location	Day and Date	Time
2014-15	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Wednesday, September 30, 2015	11:00 a.m.
2013-14	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Tuesday, September 30, 2014	11:00 a.m.
2012-13	1 <sup>st</sup> Floor, Boundary Hall, Mumbai Cricket Association Recreation Centre (MCA), G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Monday September 30, 2013	11:00 a.m.

The details of Special Resolutions passed in the last three AGM:

AGM Date	Brief particulars of the Resolution
30.09.2015	1. Fund raising Programme of the Company. 2. Alteration of Capital Clause contained in the Memorandum of Association.
30.09.2014	1. Payment of commission to Non-Executive Directors. 2. Amend the Articles of Association as per provisions of the Act.
30.09.2013	Re-appointment of Mr. Rakesh Kumar Wadhawan as an Executive Chairman.

### Resolutions Passed through Postal Ballot:

During the period under review, the Company has not passed any Resolution through Postal Ballot.

### MEANS OF COMMUNICATION

#### Quarterly results:

The newspapers wherein results are normally published:

Newspapers	Cities of Publication
Business Standard	All
The Financial Express	All
The Economic Times	All
Maharashtra Times	Mumbai, Pune & Nasik
DNA Money	Mumbai
Financial Chronicle	All
Business Line	All
Mint	All
Free press journal + Navshakti	Mumbai

- The following information is also promptly displayed on the Company's website [www.hdil.in](http://www.hdil.in). Financial Results, Shareholding Pattern, Annual Report and the Presentations, as and when made, to the media and analysts in the 'Investor Relations' Section and 'Corporate Governance' Section.

- The Quarterly / Half yearly / Annual Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed with the Stock Exchanges for dissemination on their respective websites.

### GENERAL SHAREHOLDERS INFORMATION

AGM date, venue and time	September 29, 2016, National Stock Exchange of India Limited, Exchange Plaza, Plot No C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 At 11:00 a.m.
Financial year	April 1 to March 31
Dividend Payment Date	N.A.
Listing on Stock Exchanges	1. Bombay Stock Exchange ("BSE") - Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. 2. National Stock Exchange of India ("NSE") - Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Scrip Code at BSE	532873
Symbol Code at NSE	HDIL
ISIN of the Equity Share of the Company	INE191101012
Listing Fees	The Company has paid annual listing fees for the year 2016-17 to National Stock Exchange of India Limited and BSE Limited. September 24, 2016 to September 29, 2016
Date of Book Closure:	N.A.
Plant Location(s)	L70100MH1996PLC101379
Corporate Identification Number	

### Unclaimed Dividends

The unclaimed dividend for a period of seven years is compulsory deposited in Investor Education and Protection Fund ("IEPF") Account in accordance with the provisions of the Section 205C of the Companies Act, 1956, which are still applicable as the relevant Section under the Act are yet to be notified; which cannot be claimed by the shareholders / investors.

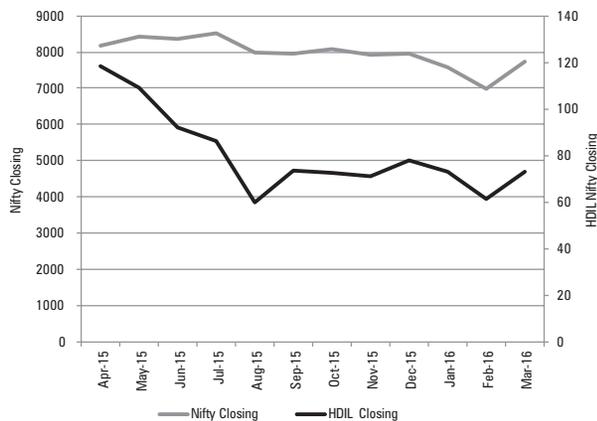
Pursuant to Section 205A and 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, during the F.Y., the Company has transferred ₹ 7,37,136 towards unclaimed Final Dividend to the IEPF.

#### Unclaimed Shares:

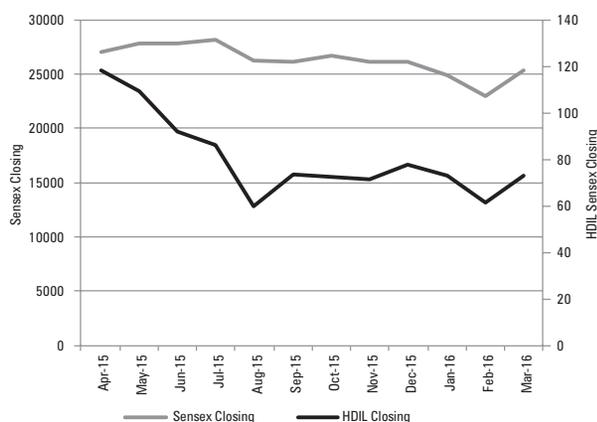
Pursuant to Section 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, during the F.Y., the Company has transferred ₹ 6,58,571 towards unclaimed Bonus Shares to the IEPF.

#### Market price data:

Month	Stock Exchange							
	BSE				NSE			
	Share Price		Sensex		Share Price		Nifty	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
April, 2015	143.00	99.60	29094.61	26897.54	143.30	99.55	8844.80	8144.75
May, 2015	125.15	99.80	28071.16	26423.99	125.25	99.70	8489.55	7997.15
June, 2015	111.90	85.10	27968.75	26307.07	111.95	85.05	8467.15	7940.30
July, 2015	98.45	77.70	28578.33	27416.39	98.60	77.70	8654.75	8315.40
August, 2015	91.80	57.10	28417.59	25298.42	91.85	57.05	8621.55	7667.25
September, 2015	75.90	54.25	26471.82	24833.54	75.90	54.35	8055.00	7539.50
October, 2015	79.90	71.60	27618.14	26168.71	80.00	71.75	8336.30	7930.65
November, 2015	72.40	60.95	26824.30	25451.42	72.25	60.90	8116.10	7714.15
December, 2015	78.00	61.30	26256.42	24867.73	78.35	61.25	7979.30	7551.05
January, 2016	82.30	62.60	26197.27	23839.76	82.40	62.55	7972.55	7241.50
February, 2016	77.95	55.60	25002.32	22494.61	77.95	55.65	7600.45	6825.80
March, 2016	74.25	61.90	25479.62	23133.18	74.40	61.80	7777.60	7035.10



Closing Value of HDIL Scrip on NSE and Nifty 50 Index



Closing Value of HDIL Scrip on BSE and SGP BSE Index

#### Debenture Trustee:

IDBI Trusteeship Services Limited  
 Asian Building, Ground Floor,  
 17, R. Kamani Marg, Ballard Estate,  
 Mumbai – 400 001

Tel No.: +91 22 4080 7000

Fax: +91 22 6631 1776

e-mail id: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

#### Registrar and Share Transfer Agent:

Karvy Computershare Private Limited  
 Karvy Selenium Tower B, Plot 31-32,  
 Financial District, Gachibowli, Nanakramguda,  
 Serilingampally Mandal,  
 Hyderabad - 500 032, India

Tel: +91 040 6716 1500

Fax: +91 040 2300 1153;

Toll Free Number: 1800 3454 001;

e-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website: [www.karvy.com](http://www.karvy.com)

#### Share Transfer System:

Shares in physical form lodged for transfer with the Company's RTA are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects and put up for approval before the Stakeholders Relationship Committee generally once in every fortnight. Stakeholders Relationship Committee of the Directors is empowered to approve transfer of shares and to attend to the investors' grievances, which are not normally resolved by the Company's RTA / Compliance Officer.

Matters concerning investors' grievances and other miscellaneous matters relating to change of address, mandates, etc. are processed by the Company's RTA.

All requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Company also offers transfer cum demat facility.

#### Distribution of Shareholding as on March 31, 2016:

Shareholding of nominal value	Shareholders		Share Amount	
	Number	% to Total	(Amount in ₹)	% to Total
Up to – 5000	189380	91.17	19,97,37,360	4.77
5001 – 10000	9920	4.78	7,78,75,690	1.86
10001 – 20000	4599	2.21	6,85,76,600	1.64
20001 – 30000	1403	0.68	3,56,22,540	0.85
30001 – 40000	618	0.30	2,21,24,680	0.52
40001 – 50000	443	0.21	2,07,81,560	0.50
50001 – 100000	684	0.32	4,96,24,440	1.18
100001 and above	685	0.33	3,71,56,96,990	88.68
<b>TOTAL</b>	<b>207732</b>	<b>100.00</b>	<b>4,19,00,39,860</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2016:

Sr. No.	Category of Shareholder	Number of Shares	As a percentage of (A+B)
(A)	<b>PROMOTER'S HOLDING</b>		
(1)	Indian	143519408	34.25
(2)	Foreign	-	-
	<b>Total A=A(1)+A(2)</b>	<b>143519408</b>	<b>34.25</b>

Sr. No.	Category of Shareholder	Number of Shares	As a percentage of (A+B)
<b>(B)</b>	<b>NON PROMOTER'S HOLDING</b>		
<b>(1)</b>	<b>INSTITUTIONS</b>		
(a)	Mutual Funds / UTI	4007828	0.96
(b)	Financial Institutions / Banks	846122	0.20
(c)	Insurance Companies	147857	0.04
(d)	Foreign Institutional Investors	184127259	43.94
<b>(2)</b>	<b>NON-INSTITUTIONS</b>		
(a)	Bodies Corporate	20646240	4.93
(b)	Individuals	59213953	14.13
(c)	Others		
	Non Resident Indians	1871462	0.45
	Trusts	957	0.00
	Overseas Corporate Bodies	13	0.00
	Directors and their Relatives	51,235	0.01
	Clearing Members	4553632	1.09
	NBFCs registered with RBI	18020	0.00
	<b>Total B=B(1)+B(2)</b>	<b>275484578</b>	<b>65.75</b>
	<b>GRAND TOTAL (A+B)</b>	<b>419003986</b>	<b>100.00</b>

#### Dematerialization of shares and liquidity:

As at March 31, 2016, 99.99% of shareholding aggregating to 418945836 shares were held in dematerialized form with NSDL and CDSL, while 0.01 % aggregating to 58150 shares were held in physical form.

#### Outstanding Global Depository Receipts ("GDRs") / American Depository Receipts ("ADRs") / Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs / ADRs / Warrants or any convertible instruments as on March 31, 2016, likely to have an impact on the Equity Share Capital of the Company.

#### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company is subject to commodity price risk like any other industry. Moreover, since the Company procures all the input commodities used in the production of goods and generation of services from third parties, it is all the more subject to risk and rewards of price variations. The Company is, to a certain extent, able to manage the risks of adverse price movements by purchasing of key materials regularly from renowned suppliers with scope for revision in pricing based on current market prices. In respect of contract for finishing and facade items, the commodity / hedging market for these items is not fully developed and the Company keeps on evaluating on continuous basis opportunities for price risk minimisations.

#### Address for Correspondence:

Housing Development and Infrastructure Limited  
 9-01, HDIL Towers, Anant Kanekar Marg,  
 Bandra (East), Mumbai – 400 051  
 e-mail id – [info@hdil.in](mailto:info@hdil.in)

#### DISCLOSURES

##### • **Materially significant related party transactions:**

The Company has no material transactions with its related parties that may have a potential conflict with the interest of the Company. The details of transaction between the Company and the related parties are disclosed for information

in Note No. 30 of the Notes to the Financial Statement for the F.Y. ended March 31, 2016.

##### • **Compliance with mandatory requirements and adoption of non-mandatory requirements:**

The Board of Directors periodically reviewed the compliance of all applicable laws and there were no instances of non-compliance. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted some non-mandatory requirements.

##### • **Non-compliance by the Company, penalties, strictures imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years:**

There has been no non-compliance by the Company or penalty, strictures imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

##### • **Vigil Mechanism / Whistle Blower Policy:**

The Company has in place a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management of any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Company has provided dedicated e-mail addresses [chairperson.auditcomm@hdil.in](mailto:chairperson.auditcomm@hdil.in) for reporting such concerns. Alternatively, employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Code of Business Principles and the Whistle Blower Policy of the Company, are to be reported to the Audit Committee. The Whistle Blower Policy is available on the website of the Company i.e. [www.hdil.in](http://www.hdil.in).

##### • **Policy for determining Material Subsidiaries:**

The Company has framed Policy for determining material subsidiaries which is disclosed on website of the Company at <http://www.hdil.in/pdf/policies/policy-for-determining-material-subsiidiary.pdf>

##### • **Policy on dealing with related party transactions:**

The Company has framed Policy on dealing with related party transactions which is disclosed on website of the Company at <http://www.hdil.in/pdf/policies/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf>

##### • **Familiarization Programme:**

The Company has designed a well-structured framework for induction and orientation of Independent Directors. The Company undertakes various measures to familiarize Independent Directors about the Company, its business, updates and development which includes issue of formal letter of appointment prescribing role, functions, duties, responsibilities, etc., periodic presentations are made at the Meetings of Board of Directors and Committees on business environment, strategies, business performance, litigations, compliances, financial parameters and risk involved thereof. Details of training and familiarization programme aims to provide insights into the Company to enable Independent Directors to understand the business, functionalities and other matters.

The induction process is designed to:

- build an understanding of the Company, its businesses

and the markets and regulatory environment in which it operates;

- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively and
- develop understanding of Company's people and its key stakeholder relationships.

The details in respect of Familiarization Programme are available on the website of the Company at <http://www.hdil.in/pdf/policies/familiarisation-programme-for-independent-directors.pdf>.

- **Disclosure of Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Company do not enter into any hedging of commodities or forex as exposure to such risk is minimal.

- **Report on Non-mandatory requirements under Regulation 27(1):**

- a. **The Board:** As per para A of Part E of Schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.

- b. **Shareholders Rights:** We display our quarterly, half yearly and annual results on our website [www.hdil.in](http://www.hdil.in) and also publish our results in widely circulated newspapers. The complete Annual Report is sent to every Shareholder of the Company.

- c. **Modified opinion(s) in audit report:** The Statutory Auditors have issued an unqualified opinion on the financial statements of the Company.

- d. **Separate posts of Chairman and Chief Executive Officer:** The position of the Chairman and the Managing Director is separate.

- e. **Reporting of internal auditor:** The Internal Auditor reports to the Audit Committee.

- **Statutory Compliance and Penalties:**

The Company has complied with all the provisions mentioned under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and there were no instances of non-compliance nor have any penalties been imposed by the SEBI.

For and on behalf of the Board of Directors

**Place: Mumbai**

**Date : May 28, 2016**

**Rakesh Kumar Wadhawan**

**Executive Chairman**

## DECLARATION BY THE MANAGING DIRECTOR

I, Sarang Wadhawan, Vice Chairman & Managing Director of Housing Development and Infrastructure Limited, hereby declare that all the Members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended March 31, 2016.

Place: Mumbai  
Date: May 28, 2016

**Sarang Wadhawan**  
Vice Chairman & Managing Director

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## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To  
**The Members of Housing Development and Infrastructure Limited**

We have examined all the relevant records of **Housing Development and Infrastructure Limited** (“the Company”) for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of Listing Agreement with the Stock Exchanges for the period from April 1, 2015 to November 30, 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) from the period December 1, 2015 to March 31, 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

The compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the Listing Regulations, the Company has complied with all the applicable requirements.

for **Thar & Co.**  
Chartered Accountants  
Firm Registration Number - 110958W

**Jayesh R. Thar**  
Partner  
Membership No. 032917

Place: Mumbai  
Date: May 28, 2016

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors at its meeting held on May 15, 2015.

### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- That the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz: Executive, Non-Executive and Independent, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being as well as Clause 49 of the Listing Agreement or such other Rules/Regulations, as may be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### DEFINITIONS

In this policy unless the context otherwise requires:

**"Act"** shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

**"Board of Directors"** or **"Board"** in relation to the Company means the collective body of the Directors of the Company.

**"Company"** means Housing Development and Infrastructure Limited.

**"Directors"** means Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** (KMP) in relation to a Company means

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer; and
- v. such other officer as may be prescribed under the Act.

**"Senior Management Personnel"** mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall have minimum three directors as members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of following Directors:

1) Mr. Lalit Mohan Mehta	Non-executive Independent Director	Chairman
2) Mr. Ashok Kumar Gupta	Non-executive Independent Director	Member
3) Mr. Raj Kumar Aggarwal	Non-executive Independent Director	Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

### ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee inter-alia will be the following:

- Identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- Devising a policy on Board diversity;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors and
- Decide/ approve details of fixed components and performance linked incentives along with criteria.

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

##### **(i) Appointment criteria and qualifications:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

##### **(ii) Term / Tenure:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly;
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such

person is serving as a Whole-time Director of a listed company.

##### **(iii) Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

##### **(iv) Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

##### **(v) Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT**

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

##### **i. Remuneration to Whole-time / Executive / Managing Director**

###### **Fixed pay:**

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break- up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses,

club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

**Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**Provisions for excess remuneration:**

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

ii. **Remuneration / Commission to Non - Executive / Independent Director**

**Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 20,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

**Commission:**

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1 percentage of the profits of the Company computed as per the applicable provisions of the Act.

**Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**REVIEW**

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

# INDEPENDENT AUDITORS' REPORT

**To the Members of  
Housing Development and Infrastructure Limited  
Report on the Standalone Financial Statements**

We have audited the accompanying Financial Statements of Housing Development and Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its standalone financial statements as referred to in Note 31 to the standalone financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2016.

**For Thar & Co.,**  
Chartered Accountants  
Firm Registration No: 110958W

**Jayesh R. Thar**  
Partner  
Membership No. 032917

Place : Mumbai  
Date : May 28, 2016

# ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on 31<sup>st</sup> March, 2016 of **Housing Development and Infrastructure Limited:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All the Fixed Assets have been physically verified by the management in a phased manner, over a period of one year, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) (a) Other than opening outstanding balances of loan to subsidiaries, the Company has not granted any further loans to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (b) No repayment schedule has been specified and repayment has been made on demand, therefore the question of regularity in repayment of principal amount, wherever applicable, does not arise.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Sec 185 and Sec 186 of the Act and hence the provisions of clause (iv) are not applicable to the Company.
- (v) The company has not accepted any deposits from the public within the meaning of Sec 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2016 prescribed by the Central Government under Section 148 (1) of the Act and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, the company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales Tax, Service-tax, VAT, cess and other material applicable statutory dues have generally been regularly deposited with the appropriate authorities and as on 31<sup>st</sup> March, 2016, no such dues were outstanding for a period of more than six months from the date they became payable except for the following:-

Nature of Dues	₹ in Lakhs
Tax Deducted at Source (inclusive of Interest)	828.25
Service Tax (Interest only)	3.73
Value Added Tax (Interest only)	47.94

- (b) According to the information and explanations given to us, there are no material dues of service tax, value added tax, wealth tax, duty of customs and cess which have

not been deposited with the appropriate authorities on account of any dispute. However, the following dues of income tax have not been deposited by Company on account of disputes:

Financial Year	Income Tax Demand (₹ in Lakhs)
2010-11	25772.37
2011-12	1419.40
2012-13	29145.86

The company has filed appeal before the Commissioner of Income Tax appeals (53) for all the above mentioned Income Tax demands. The Company has also filed stay application under section 220 (6) of the Income Tax Act, 1961 before the Assessing Officer and disposal of the same is pending.

- (viii) As per the information and explanations furnished to us and our verification of records of the Company, the Company has delayed in repayment of dues to Debenture Holders, Financial Institutions and Banks. An amount of Rs 9210 Lacs towards principal and Rs 9864 Lacs towards interest to Non-Cumulative Debenture Holders and Rs 19281 Lacs towards principal on Term Loans from Bank and Financial Institutions and Rs 16549 Lacs towards interest thereon.
- (ix) The Company has not raised money through initial public offers or further public offers during the financial year. However the term loans raised during the year have been applied by the Company for the purpose for which they were raised.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company or any of its employees or officers were noticed or reported during the course of our audit.
- (xi) Managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company as specified by the Companies Act, 2013 and hence the provisions under clause (xii) are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013 and where applicable, the details of related party transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Sec 45 IA of the Reserve Bank of India Act, 1934.

For **Thar & Co.,**  
 Chartered Accountants  
 Firm Registration No: 110958W

**Jayesh R. Thar**  
 Partner  
 Membership No.: 032917

Place : Mumbai  
 Date : May 28, 2016

# ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

## ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED.

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

#### For **Thar & Co.**

Chartered Accountants

Firm's Registration No. 110958W

#### **Jayesh R.Thar**

Partner

Membership No. 032917

Place : Mumbai

Date : May 28, 2016

# BALANCE SHEET AS AT

(₹ in Lacs)

Particulars	Note No.	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	41,900.40		41,900.40	
Reserves and Surplus	3	10,57,819.41	10,99,719.81	10,23,605.57	10,65,505.97
<b>(2) Non-Current Liabilities</b>					
Long-term borrowings	4	16,307.48		22,837.30	
Deferred tax liabilities (Net)	5	1,884.88		1,927.02	
Long term provisions	6	223.51	18,415.87	164.07	24,928.39
<b>(3) Current Liabilities</b>					
Short-term borrowings	7	1,78,761.97		1,44,994.45	
Trade payables	8	45,299.93		40,171.65	
Other current liabilities	9	2,19,188.93		3,02,655.97	
Short-term provisions	10	15,118.37	4,58,369.20	21,470.03	5,09,292.10
<b>Total</b>			<b>15,76,504.88</b>		<b>15,99,726.46</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Fixed assets	11				
(i) Tangible assets		13,656.07		11,897.82	
(ii) Intangible assets		3.91	13,659.98	9.27	11,907.09
Non-current investments	12		1,20,666.54		1,23,643.42
Long term loans and advances	13		42.53		36.54
<b>(2) Current assets</b>					
Current investments	14	101.58		1.58	
Inventories	15	11,06,331.30		10,90,536.18	
Trade receivables	16	16,317.66		19,096.68	
Cash and bank balances	17	13,693.69		18,689.04	
Short-term loans and advances	18	3,05,691.60	14,42,135.83	3,35,815.93	14,64,139.41
<b>Total</b>			<b>15,76,504.88</b>		<b>15,99,726.46</b>
Significant Accounting Policies (Accompanying notes are an integral part of the financial statements)	1				

As per our Report of even date attached

For **THAR & CO.**  
 Chartered Accountants,  
 Firm Registration Number: 110958W

**Jayesh R. Thar**  
 (Partner)  
 Membership No. 032917

Place : Mumbai  
 Date: May 28, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**      **Sarang Wadhawan**  
 Executive Chairman              Vice Chairman & Managing Director

**Ashok Kumar Gupta**              **Raj Kumar Aggarwal**  
 Director                              Director

**Hazari Lal**                              **Darshan D. Majmudar**  
 Director                              Chief Financial Officer & Company Secretary

**Sandhya Baliga**  
 Director

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

		(₹ in Lacs)	
Particulars	Note No.	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>Revenue:</b>			
Revenue from operations	19	1,16,829.64	1,00,524.84
Other Income	20	2,279.82	8,568.52
<b>Total Revenue</b>		<b>1,19,109.46</b>	<b>1,09,093.36</b>
<b>Expenses:</b>			
Cost of material consumed	21	55,911.84	66,060.50
Changes in inventories of finished goods and work-in-progress	22	(15,795.12)	(36,783.88)
Employee benefits expense	23	4,264.74	3,868.16
Finance costs	24	36,720.43	38,694.07
Depreciation and amortisation expense	11	547.60	671.26
Other expenses	25	8,605.86	5,830.00
<b>Total Expenses</b>		<b>90,255.35</b>	<b>78,340.11</b>
Profit before tax		<b>28,854.11</b>	<b>30,753.25</b>
Tax expense:			
Current tax :			
Income tax		2,400.00	7,902.55
Deferred tax charge		(42.14)	217.35
		<u>2,357.86</u>	<u>8,119.90</u>
Profit for the period		<b>26,496.25</b>	<b>22,633.35</b>
Earnings per equity share of ₹ 10/-	29		
Basic		8.17	5.49
Diluted		8.17	5.49
Significant Accounting Policies	1		
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For **THAR & CO.**  
Chartered Accountants,  
Firm Registration Number: 110958W

**Jayesh R. Thar**  
(Partner)  
Membership No. 032917

Place : Mumbai  
Date: May 28, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**      **Sarang Wadhawan**  
Executive Chairman              Vice Chairman & Managing Director

**Ashok Kumar Gupta**              **Raj Kumar Aggarwal**  
Director                                  Director

**Hazari Lal**                                  **Darshan D. Majmudar**  
Director                                  Chief Financial Officer & Company Secretary

**Sandhya Baliga**  
Director

# CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ in Lacs)

Particulars	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
<b>A Cash flow from operating activities</b>				
Net profit before tax		28,854.11		30,753.25
Adjustments for :				
Depreciation and amortisation expense	547.60		671.26	
Interest expenses	36,720.43		38,694.07	
Interest received	(1,533.57)		(4,412.60)	
Dividend received	(5.72)		(5.78)	
Profit on sale of fixed assets	-		(2.74)	
Loss on sale of fixed assets	367.93		-	
Profit on sale of investments	(1.31)		(3,445.20)	
Operating profit before working capital changes		36,095.36		31,499.01
Movements in working capital :		64,949.47		62,252.26
Decrease / (Increase) in inventory	(15,795.12)		(34,067.22)	
Decrease / (Increase) in trade receivable	2,779.02		6,402.30	
Decrease / (Increase) in other receivables	30,118.36		1,477.79	
(Decrease) / Increase in trade and other payables	(40,958.27)		14,157.07	
Net movement in working capital		(23,856.01)		(12,030.06)
Cash generated from operations		41,093.46		50,222.20
Less : Direct taxes paid (net of refunds)		1,233.17		293.69
<b>Net cash from operating activities</b>		39,860.29		49,928.51
<b>B Cash flows from investing activities</b>				
(Increase) / Decrease in capital work in progress	-		133.71	
(Increase) / Decrease in other investments	2,876.88		(4,447.83)	
Investment in liquid mutual fund units	1.31		-	
Proceeds from sale of investment	-		10,821.20	
Interest received	1,533.57		4,412.60	
Dividend received	5.72		5.78	
Purchase of fixed assets	(3,188.26)		(392.40)	
Sale of fixed assets	519.84		3.02	
<b>Net cash from investing activities</b>		1,749.06		10,536.08
<b>C Cash flows from financing activities</b>				
Proceeds from borrowings	52,340.97		27,237.85	
Repayment of borrowings	(62,225.23)		(50,775.48)	
Interest paid	(36,720.44)		(38,694.06)	
<b>Net cash used in financing activities</b>		(46,604.70)		(62,231.69)
Net increase in cash and cash equivalents (A + B + C)		(4,995.35)		(1,767.10)
Cash and cash equivalents at the beginning of the period		18,689.04		20,456.14
Cash and cash equivalents at the end of the period		<b>13,693.69</b>		<b>18,689.04</b>
Components of cash and cash equivalents as at		<b>31-Mar-2016</b>		<b>31-Mar-2015</b>
Cash on hand		1,068.88		420.68
With banks - on current account		336.18		2,115.26
- on unpaid dividend account		-		14.30
- on Escrow account		202.91		27.71
- on deposit account *		10,425.72		16,111.09
- on DSRA		1,660.00		-
<b>Total</b>		<b>13,693.69</b>		<b>18,689.04</b>

\* includes fixed deposits of ₹1088.45 Lacs (previous year ₹ 1088.45 Lacs) pledged with bank as security for bank guarantees, ₹ Nil (previous year ₹ 6427.00 Lacs) with bank for Debt Service Reserve and ₹ 7942.26 Lacs (previous year ₹ 6931.40 Lacs) pledged with bank as security for bank overdraft.

Note : Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants,  
Firm Registration Number: 110958W

**Rakesh Kumar Wadhawan**  
Executive Chairman

**Sarang Wadhawan**  
Vice Chairman & Managing Director

**Jayesh R. Thar**

(Partner)  
Membership No. 032917

**Ashok Kumar Gupta**  
Director

**Raj Kumar Aggarwal**  
Director

**Hazari Lal**  
Director

**Darshan D. Majmudar**  
Chief Financial Officer & Company Secretary

Place : Mumbai  
Date: May 28, 2016

**Sandhya Baliga**  
Director

# NOTES ON THE FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES: -

### A. Basis of preparation

- a) These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### b) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities as on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### B. Fixed assets

#### a) Tangible assets

Fixed assets are stated at cost of acquisition or construction, net of recoverable taxes, trade discounts, rebates, depreciation accumulated and accumulated impairment losses. All costs relating to the acquisition and installation of fixed assets are capitalised and includes borrowing costs relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

#### b) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of the asset are recognised as income or expense in the Statement of Profit and Loss.

### C. Method of Depreciation and amortisation

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act, 2013 with the exception of the following

Based on an independent technical evaluation, the useful life of Mobile Phones has been estimated as 3 years, which is different from that prescribed in Schedule II of the Act.

### D. Investments

Investments that are readily realisable and are intended to be held for not more than a year from the date, on which such investments are made, are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost. Provision for diminution in value of long term investment is made to recognise a decline other than temporary as specified in Accounting Standard (AS 13) on "Accounting for Investments".

### E. Inventories

Inventories are valued as follows:

Inventory comprises of completed property for sale, transferable development rights, F.S.I. and projects in progress.

- (i) Completed property for sale and transferable development rights are valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing costs and other related overheads as the case may be.

- (ii) Projects in progress are valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, land development rights, materials, services, borrowing costs, acquisition of tenancy rights and other related overheads. Cost incurred / items purchased specifically for projects are taken as consumed as and when incurred / received.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

- (iii) In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

## F. Revenue recognition

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") where in allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Sale: -
  - i) Unit in real estate: -  
Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.
  - ii) Sale / trading of goods and materials : -  
Sales are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.
- b) Rent: -  
Revenue is recognised on accrual basis.
- c) Interest: -
  - i) Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
  - ii) Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
- d) Dividends: -  
Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.
- e) Share of profit from joint ventures:-  
Share of profit/(loss) from partnership firms is accounted for in respect of the financial year ending on or before the Balance Sheet date.
- f) Profit on sale of investment: -  
It is recognised on its liquidation / redemption.

## G. Employees benefits

- a) Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as and when incurred.
- b) Defined Benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The Company has an obligation to make good the shortfall, if any.
- c) Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.
- d) Termination benefits are recognised as and when incurred.

## H. Borrowing cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

## I. Foreign currency transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

## NOTES ON THE FINANCIAL STATEMENTS

- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

### J. Leases

- a) As a lessor

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Recurring costs are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised in the Statement of Profit and Loss.

- b) As a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership during the leased term, are classified as operating leases. Operating lease payments are charged to the Statement of Profit and Loss.

### K. Impairment

- (i) The carrying amounts of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- (ii) After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- (iii) A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined has no impairment loss been recognised.

### L. Income taxes

- a) Tax expense comprises of current and deferred tax charge or credit. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- b) Deferred income tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- c) At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### M. Segment reporting policies

The main business of the Company is real estate development and construction of residential and commercial properties, infrastructure facilities and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting".

### N. Earnings per share

Basic earnings per equity share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of shares to the public.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### O. Provisions, contingent liabilities and contingent assets

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

# NOTES ON THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,00,000 (previous year 50,00,00,000) Equity Share of ₹ 10/- each	<b>1,00,000.00</b>	<b>50,000.00</b>
<b>Issued, Subscribed and Paid up</b>		
41,90,03,986 (previous year 41,90,03,986) Equity Shares of ₹ 10/- each fully paid-up (Of the above 23,12,20,595 Equity shares of ₹ 10/- each were allotted as fully paid up bonus shares by way of capitalisation of General Reserve and Securities Premium)	41,900.40	41,900.40
<b>Total</b>	<b>41,900.40</b>	<b>41,900.40</b>
<b>Reconciliation of the number of shares outstanding :</b>		
<b>Equity Shares</b>	<b>Number</b>	<b>Number</b>
Shares outstanding at the beginning of the period	41,90,03,986	41,90,03,986
<b>Shares outstanding at the end of the period</b>	<b>41,90,03,986</b>	<b>41,90,03,986</b>
<b>Terms / rights attached to shares :</b>		
The Company has only one class of shares i.e. equity shares of ₹ 10/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.		
<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>		
Rakesh Kumar Wadhawan	Number %	7,60,47,661 18.15%
Orbis SICAV - Asia Ex- Japan Equity Fund	Number %	3,44,33,395 8.22%
Platinum Investment Management Limited A/C Platinumasia Fund	Number %	2,85,37,227 6.81%
Merrill Lynch Capital Market Espana S.A. S.V.	Number %	- 6.51%

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>3. RESERVE AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	4,91,143.48	4,91,143.48
<b>Closing Balance</b>	<b>4,91,143.48</b>	<b>4,91,143.48</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance	70,227.21	74,104.83
Add : Transferred from Statement of Profit and Loss	5,424.09	26,700.00
Less : Transferred to General Reserve	43,651.78	30,577.62
<b>Closing Balance</b>	<b>31,999.52</b>	<b>70,227.21</b>
<b>General Reserve</b>		
Opening Balance	4,62,158.16	4,31,580.54
Add : Transferred from Debenture Redemption Reserve	43,651.78	30,577.62
<b>Closing Balance</b>	<b>5,05,809.94</b>	<b>4,62,158.16</b>

# NOTES ON THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	76.72	3,791.77
Add : Excess provision for tax no longer required	7,504.29	633.33
Add : Net Profit for the current period	26,496.25	22,633.35
Less : Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	-	281.73
Add : Mat Credit Availed	213.30	-
Less : Transferred to Debenture Redemption Reserve	5,424.09	26,700.00
<b>Closing Balance</b>	<b>28,866.47</b>	<b>76.72</b>
<b>Total</b>	<b>10,57,819.41</b>	<b>10,23,605.57</b>
<b>4. LONG TERM BORROWINGS</b>		
<b>Secured Long Term Borrowings :</b>		
4,692 (Previous year 16,242) Redeemable Non Convertible Debentures of ₹ 10 lacs each *	16,307.48	22,837.30
<b>Total</b>	<b>16,307.48</b>	<b>22,837.30</b>

\* In accordance with the terms of the issue of NCD, the Company has partially redeemed the Debenture in tranches and hence aggregate amount outstanding vis a vis numbers of outstanding debentures do not tally.

**Details of securities and other terms and conditions are as under :-**

**I) Secured Redeemable Non Convertible Debentures : -**

**a) Secured Redeemable Non Convertible Debentures (Listed) : -**

2,425 (Previous year 13,975) 12% Secured Redeemable Non – Convertible Debentures of ₹ 10.00 lacs each fully paid, interest payable quarterly, are issued on Private Placement basis to various banks. These Debentures are Secured by mortgage of immovable properties admeasuring to about 7,01,992 Sq. mtrs. situated at village Kasarali, District Thane and 1,47,341 Sq. mtrs. situated at Village Kopri, District Thane, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. These Secured Non – Convertible Debentures are redeemable commencing from December, 2012 from first tranche onwards at 33% each in third and fourth year and 34% at the end of fifth year.

**b) Secured Redeemable Non Convertible Debentures (Non listed) : -**

a) 2,267 (Previous year 2,267) 13.25% Secured Redeemable Non – Convertible Debentures of ₹ 10.00 lacs each fully paid, interest payable monthly, are issued on Private Placement basis to Life Insurance Corporation of India. The Debentures are secured by mortgage of 2,88,940 Sq. mtrs immovable properties situated at Village Doliv and Village Khardi, District Thane and further secured by mortgage of first to nine floors except 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup> floors of commercial building admeasuring 17,894.65 Sq. mtrs. situated at HDIL Towers, Survey No. 341(pt) CTS No. 608(pt), Bandra (East), Mumbai. These Secured Non - Convertible Debentures are redeemable in equal monthly instalment of ₹ 100.00 lacs each commencing from 5<sup>th</sup> October, 2013.

b) Securities of the Debentures issued to Life Insurance Corporation of India are shared on pari-passu basis for the term loan from Life Insurance Corporation of India. (Also refer note : 7(III)(b))

**II) All the above debentures have been personally guaranteed by**

- i) Executive Chairman of the Company
- ii) Vice Chairman and Managing Director of the Company

**III) IDBI Trustee is the trustee to all the above Debentures issued.**

**IV) Maturity profile and Rate of interest of Non Convertible Debentures are as set out below:**

Rate of Interest	Maturity Profile				Total
	Apr. 2017- Mar. 2018	Apr. 2018- Mar. 2019	Apr. 2019- Mar. 2020	Apr. 2020- Mar. 2021	
13.25%	4,773.21	4,773.21	4,773.21	1,987.85	16,307.48

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>5. DEFERRED TAX LIABILITIES(NET)</b>		
<b>Arising on account of timing differences</b>		
<b>Liabilities</b>		
Related to fixed assets	2,118.04	2,097.90
	<b>2,118.04</b>	<b>2,097.90</b>
<b>Assets</b>		
Bonus payable	-	25.60
Provision for gratuity	109.12	73.39
Provision for encashment of leave	124.04	71.89
	233.16	170.88
<b>Total</b>	<b>1,884.88</b>	<b>1,927.02</b>
<b>6. LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits :</b>		
Leave Encashment	223.51	164.07
<b>Total</b>	<b>223.51</b>	<b>164.07</b>
<b>7. SHORT TERM BORROWINGS</b>		
<b>Secured Short Term Borrowings :</b>		
Loans repayable on demand from Bank (Refer 7 - I)	8,209.82	6,771.15
Term Loans from Scheduled Banks (Refer 7 - II)	1,16,429.86	82,616.39
Term loans from Financial Institutions (Refer 7 - III)	54,122.29	55,606.91
<b>Total</b>	<b>1,78,761.97</b>	<b>1,44,994.45</b>

Details of securities and other terms and conditions are as under :-

**I) Loans repayable on demand from Scheduled Bank :-**

**Punjab and Maharashtra Co-operative Bank Limited :-**

Secured by pledge of fixed deposit receipts with the bank, current rate of interest 13% (Previous year 13%)

**II) Loans from Scheduled Banks :-**

**a) Central Bank of India :-**

i) Secured by registered mortgage of immovable properties admeasuring 40,468.56 Sq. mtrs. situated at CTS No. 637A, Premier Road, Village Kurla, Mumbai. Repayable in 40 monthly installments (Step up installments) of ₹ 300.00 lacs each commencing from December, 2013 to March 2014, ₹ 349.00 lacs each commencing from April, 2014 to March 2015 and ₹ 500.00 lacs each commencing from April, 2015 to March 2017. Rate of interest base rate + 5 % p.a. payable monthly.

**b) The Jammu and Kashmir Bank :-**

- i) Term loan - I - Repayable in 12 quarterly installments of ₹ 834.00 lacs each commencing from September 2014. Interest rate is base rate +3.50% p.a. payable monthly.
- ii) Term Loan - II - Secured by 1<sup>st</sup> Charge on the cash flows, receivables and project agreements/ project escrow account and project DSRA of the free sale area, and 1<sup>st</sup> charge by way of mortgage of development right. Loan repayable in 20 quarterly installments of ₹ 750.00 lacs each commencing from September 2016. Interest rate is base rate + 3.00 % p.a. payable monthly.
- iii) Term Loan - III - Secured by 1<sup>st</sup> Charge on the cash flows, receivables, all current assets of the project and project agreements/ project escrow account and project DSRA of the free sale area and 1<sup>st</sup> charge by way of mortgage of development rights. Repayable in 16 quarterly installments of ₹ 938.00 lacs each commencing from September, 2017. Interest rate is base rate + 3.00 % p.a. payable monthly.

All the above loans are secured by immovable properties admeasuring 2,91,610 Sq. mtrs. situated at Village Kopri, District Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company.

**c) Allahabad Bank :-**

- i) Secured by registered mortgage over the total construction area of 1,12,140.10 Sq. mtrs. which includes free sale area admeasuring approximately 67,732.72 Sq. mtrs. at CTS no. 551/27,552(pt), 552/1, 552/5 to 12 of Village Nahur, Mumbai together with the structure standing thereon and further secured by 45,342 Sq. mtrs. of immovable properties situated at Village Chandansar, Dist. Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. Repayable in 12 equal quarterly installments of ₹ 1,250.00 lacs each commencing from June, 2014. Rate of Interest base rate + 5% p.a. payable monthly.
- ii) Secured by exclusive charge on Escrow account as well as equitable mortgage of immovable properties admeasuring 54,970 Sq.mtrs at Village Maljipada, Dist. - Thane, comprising of various survey numbers. Repayable within 12 equal quarterly installments of ₹ 625.00 lacs each commencing from December 2014. Rate of interest is base rate + 5% p.a. payable monthly.
- iii) Secured by exclusive charge on all projects assets of the Company at Mulund and Palghar. Repayable in 4 equal quarterly installments of ₹ 425.00 lacs each commencing from March, 2017. Rate of interest is base rate + 5% p.a. payable monthly.

**d) Syndicate Bank :-**

Secured by pari passu charge over escrow of Cash flows arising out of the project Whispering Tower and further secured by immovable properties admeasuring 87,220 Sq.mtrs. situated at Village Doliv, Koshimbe, Dist. Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. Repayable in 12 equal quarterly installments ₹ 834.00 lacs each commencing from February 2015. Rate of Interest base rate + 3% p.a. payable monthly.

**e) Yes Bank Limited:-**

Secured by exclusive charge by way of registered mortgage on the four multiplexes having built - up area of 89,173.68 sq. ft. Repayable in 180 monthly installments comprising of ₹ 41.67 lacs for first three months and ₹ 49.59 lacs per months for balance period commencing from April, 2015.

**III) Term Loans from Financial Institution :-**

**a) IL & FS - PMDO:-**

- i) Repayable in 18 quarterly installments of the staggered amount commencing from October, 2015. Rate of interest is 13.50% p.a. payable monthly.
- ii) Repayable in 12 quarterly installments commencing from February, 2016. Rate of interest of the Funded interest term loan is 13.50% p.a. payable monthly.

Both the loans are secured by registered mortgage of immovable properties admeasuring 1,21,970 Sq. mtrs. situated at Sasunavghar, comprising of various survey numbers, owned by the Company and 96,750 Sq. mtrs. situated at village Doliv, 1,60,390 Sq. mtrs. situated at village Khardi, 94,710 Sq. mtrs. situated at Dahisar and 66,640 Sq. mtrs. situated at Kasarali, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company.

**b) Life Insurance Corporation of India :-**

- i) Term loan is secured by registered mortgage of immovable properties situated at Village Doliv and Village Khardi admeasuring 2,88,940 Sq. mtrs. comprising of various survey numbers and further secured by mortgage of first to nine floors except 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup> floors of commercial building area admeasuring 18,194.54 Sq. mtrs. situated at HDIL Towers, Bandra (East), Mumbai. Repayable in 12 quarterly installments of ₹ 1688.15 lacs each commencing from September, 2016. Rate of interest is 13% p.a. payable monthly.
- ii) Securities of the Term loan from Life Insurance Corporation of India are shared on pari-passu basis along with the security for Non Convertible Debentures issued to Life Insurance Corporation of India. (Also refer to Note No. : 4 (I)(b)).

**IV) All the above loans have been personally guaranteed by**

- i) Executive Chairman of the Company
- ii) Vice Chairman and Managing Director of the Company

# NOTES ON THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>8. TRADE PAYABLES</b>		
Trade Payables		
- Micro, Small and Medium Enterprises	-	-
- Others	45,299.93	40,171.65
<b>Total</b>	<b>45,299.93</b>	<b>40,171.65</b>
 <b>Micro, Small and Medium Enterprises</b>		
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		
 <b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debts		
Redeemable Non Convertible Debentures (For securities and other terms and conditions, refer Note 4- I, II, III)	15,692.04	52,814.00
Interest accrued but not due on loans	705.45	1,795.71
Interest accrued and due on loans	26,413.01	13,849.69
Advances from customers	1,59,463.86	2,24,278.22
Unpaid dividend	-	7.70
Other payables		
Due from employees	541.95	320.05
Statutory dues	1,719.59	2,102.55
Security deposit received	1,875.27	1,020.82
Others	12,777.76	6,467.23
<b>Total</b>	<b>2,19,188.93</b>	<b>3,02,655.97</b>
 <b>10. SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits :</b>		
Gratuity	321.04	215.91
Leave Encashment	141.42	47.44
	462.46	263.35
<b>Other Provisions :</b>		
Provision for taxation	45,381.75	50,486.04
Less : Tax Paid	30,725.84	29,279.36
	14,655.91	21,206.68
<b>Total</b>	<b>15,118.37</b>	<b>21,470.03</b>

# NOTES ON THE FINANCIAL STATEMENTS

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## 11. FIXED ASSETS

(₹ in Lacs)

Description	Cost				Depreciation					WDV	
	As at 1 <sup>st</sup> April, 2015	Additions	Deletions	As at 31 <sup>st</sup> March, 2016	Upto 31 <sup>st</sup> March, 2015	For the year	Adjustments*	On sale or transfer	Upto 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Own assets :</b>											
<b>Tangible Assets:</b>											
Freehold Land	693.28	-	693.28	-	-	-	-	-	-	-	693.28
Buildings	10,651.37	2,976.88	201.90	13,426.35	905.24	169.13	-	20.72	1,053.65	12,372.70	9,746.13
Plant and Machinery	886.02	2.34	0.77	887.59	217.53	96.51	-	0.22	313.82	573.77	668.49
Furniture and Fixtures	496.51	0.37	-	496.88	187.67	69.07	-	-	256.74	240.14	308.84
Vehicles	983.78	170.22	44.38	1,109.62	602.66	140.87	-	31.62	711.91	397.71	381.12
Office Equipments	463.76	19.05	0.17	482.64	374.69	56.49	-	0.17	431.01	51.63	89.07
Other Assets									-		
Computers	363.37	19.40	-	382.77	352.48	10.17	-	-	362.65	20.12	10.89
<b>Total (A)</b>	<b>14,538.09</b>	<b>3,188.26</b>	<b>940.50</b>	<b>16,785.85</b>	<b>2,640.27</b>	<b>542.24</b>	<b>-</b>	<b>52.73</b>	<b>3,129.78</b>	<b>13,656.07</b>	<b>11,897.82</b>
<b>Intangible Assets:</b>											
Computer softwares	749.18	-	-	749.18	739.91	5.36	-	-	745.27	3.91	9.27
<b>Total (B)</b>	<b>749.18</b>	<b>-</b>	<b>-</b>	<b>749.18</b>	<b>739.91</b>	<b>5.36</b>	<b>-</b>	<b>-</b>	<b>745.27</b>	<b>3.91</b>	<b>9.27</b>
<b>Total (A) + (B)</b>	<b>15,287.27</b>	<b>3,188.26</b>	<b>940.50</b>	<b>17,535.03</b>	<b>3,380.18</b>	<b>547.60</b>	<b>-</b>	<b>52.73</b>	<b>3,875.05</b>	<b>13,659.98</b>	<b>11,907.09</b>
<b>Previous year</b>	<b>20,885.48</b>	<b>392.39</b>	<b>5,990.60</b>	<b>15,287.27</b>	<b>3,400.17</b>	<b>671.26</b>	<b>281.72</b>	<b>972.97</b>	<b>3,380.18</b>	<b>11,907.09</b>	<b>17,485.31</b>

\* Pursuant to the enactment of Companies Act 2013, the Company is applying the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortisation. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives had expired as at 1<sup>st</sup> April, 2014 had been adjusted, in the opening balance of Surplus as on 1<sup>st</sup> April, 2014 in the Statement of Profit and Loss amounting to ₹ 281.72 Lacs. Depreciation expenses for the year ended 31<sup>st</sup> March, 2016 is higher by ₹ Nil and for the year ended 31<sup>st</sup> March, 2015 was higher by ₹ 172.93 Lacs due to this revision.

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>12. NON CURRENT INVESTMENTS</b>		
<b>Investments (At Cost) (Non Trade) / (Long Term)</b>		
<b>Investments in immovable properties</b>		
Leased out at HDIL Towers	-	2,976.88
Leased out at Pali Arcade	313.72	313.72
Leased out Multiplex at Vasai	778.15	778.15
Leased out Multiplex at Borivali	1,609.63	1,609.63
Leased out Multiplex at Dreams Mall, Bhandup	2,638.92	2,638.92
Leased out Multiplex at Harmony Mall	3,191.70	3,191.70
Leased out Properties - Dreams Mall, Bhandup	2,765.88	2,765.88
	<b>11,298.00</b>	<b>14,274.88</b>
<b>Other than trade (Unquoted Shares)</b>		
Punjab and Maharashtra Co-op. Bank Limited	47.50	47.50
1,90,000 (previous year 1,90,000) Equity Shares of ₹ 25/- each fully paidup		
Dreams The Mall Company Limited	9.40	9.40
93,957 (previous year 93,957) Equity Shares of ₹ 10/- each fully paidup		
	<b>56.90</b>	<b>56.90</b>
<b>In subsidiary Company (Unquoted Shares)</b>		
HC Infracity Private Limited	750.00	750.00
75,00,000 (previous year 75,00,000) Equity Shares of ₹ 10/- each fully paidup		
Privilege Power and Infrastructure Private Limited	35,332.28	35,332.28
1,61,05,000 (previous year 1,61,05,000) Equity Shares of ₹ 100/- each fully paidup		
Blue Star Realtors Private Limited	1,348.52	1,348.52
34,00,000 (previous year 34,00,000) Equity Shares of ₹ 10/- each fully paidup		

# NOTES ON THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
35,10,880 (previous year 35,10,880) 5% Class II Cumulative Convertible Redeemable Preference shares of ₹ 10/- each fully paidup	28,087.04	28,087.04
Ravijyot Finance and Leasing Private Limited	30.00	30.00
3,00,000 (previous year 3,00,000) Equity Shares of ₹ 10/- each fully paidup		
Excel Arcade Private Limited	1,081.50	1,081.50
19,54,000 (previous year 19,54,000) Equity Shares of ₹ 10/- each fully paidup		
Mazda Estates Private Limited	2,746.35	2,746.35
4,10,000 (previous year 4,10,000 ) Equity Shares of ₹ 10/- each fully paidup		
Guruashish Construction Private Limited	29,948.75	29,948.75
31,00,000 (previous year 31,00,000) Equity Shares of ₹ 100/- each fully paidup		
BKC Developers Private Limited	9,297.20	9,297.20
98,500 (previous year 98,500) Equity Shares of ₹ 10/- each fully paidup		
Lashkaria Construction Private Limited	690.00	690.00
69,00,000 (previous year 69,00,000) Equity Shares of ₹ 10/- each fully paidup		
	<b>1,09,311.64</b>	<b>1,09,311.64</b>
<b>Total</b>	<b>1,20,666.54</b>	<b>1,23,643.42</b>
In the opinion of the management, the value of above non current investment is not less than as stated, if realised in the ordinary course of business.		
<b>13. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Security Deposits	42.53	36.54
<b>Total</b>	<b>42.53</b>	<b>36.54</b>
In the opinion of the management, the value of above long term loans and advances is not less than as stated, if realised in the ordinary course of business.		
<b>14. CURRENT INVESTMENT</b>		
<b>In joint ventures</b>		
M/s Fine Developers (Fixed Capital ₹ Nil) (Share of profit-90%, other partner and share of profit is Sapphire Land Development Private Limited - 10%.)	1.58	1.58
Heritage Housing Development Corporation (Fixed Capital ₹ Nil) (Share of profit-60%, other partner and share of profit is Pioneer India Developers Private Limited - 40%.)	100.00	-
<b>Total</b>	<b>101.58</b>	<b>1.58</b>
In the opinion of the management, the value of above current investment is not less than as stated, if realised in the ordinary course of business.		
<b>15. INVENTORIES</b>		
Work -in-progress (lower of cost or net realisable value)	10,74,896.34	10,69,231.03
Finished goods (lower of cost or net realisable value)	31,434.96	21,305.15
<b>Total</b>	<b>11,06,331.30</b>	<b>10,90,536.18</b>
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.		

# NOTES ON THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>16. TRADE RECEIVABLES</b>		
<b>Exceeding six months</b>		
Unsecured, Considered good	8,174.32	13,690.62
<b>Other</b>		
Unsecured, Considered good	8,143.34	5,406.06
<b>Total</b>	<b>16,317.66</b>	<b>19,096.68</b>
In the opinion of the management, the value of above trade receivables is not less than as stated, if realised in the ordinary course of business.		
<b>17. CASH AND BANK BALANCES</b>		
a) Cash and Cash Equivalents		
i) Cash on hand	1,068.88	420.68
ii) Balance with banks In current accounts	336.18	2,115.26
b) Other bank balances		
i) In Fixed Deposit with more than 3 months maturity *	10,425.72	16,111.09
ii) Current Account balance with banks in unpaid dividend account	-	14.30
iii) Current Account balances in Escrow Account	202.91	27.71
iv) Debt Service Reserve Account	1,660.00	-
<b>Total</b>	<b>13,693.69</b>	<b>18,689.04</b>
* includes fixed deposits of ₹ 1,088.45 lacs (previous year ₹ 1,088.45 lacs) pledged with bank as security for bank guarantees, ₹ Nil (previous year ₹ 6427.00 lacs) with bank for Debt Service Reserve and ₹ 7,942.27 lacs (previous year ₹ 6,931.40 lacs) pledged with bank as security for bank overdraft.		
<b>18. SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, consider good</b>		
a) Loans and advances to related parties		
Loan to subsidiaries	8,654.23	8,654.23
b) Others		
Security deposits	157.82	141.56
Advance to suppliers	7,622.97	17,439.37
Advances for land purchase /tenancy / claims / development rights	2,87,154.54	3,08,588.17
Loans to employees	42.00	29.46
Prepaid expenses	37.40	53.46
Interest accrued on fixed deposits	976.52	377.49
Cenvat Credit	87.68	-
Cenvat Credit entitlement	958.44	532.19
<b>Total</b>	<b>3,05,691.60</b>	<b>3,35,815.93</b>
In the opinion of the management, the value of above short term loans and advances is not less than as stated, if realised in the ordinary course of business.		

# NOTES ON THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>19. REVENUE FROM OPERATION</b>		
a) Sale of Product		
i) Sale of commercial and residential units	67,251.21	83,071.13
ii) Sale of development rights /FSI/Land /TDR	48,003.49	15,789.57
b) Other operating income		
i) Lease rental (Refer Note No. 19.1)	644.78	1,078.10
ii) Others	930.16	586.04
<b>Total</b>	<b>1,16,829.64</b>	<b>1,00,524.84</b>
<b>19.1. Assets given on lease :</b>		
a) General description of leasing arrangement		
i) Leased assets : Leasing of commercial premises.		
ii) Future lease rentals are determined on the basis of agreed terms.		
iii) At the expiry of the lease term, the Company agrees to record the new terms and conditions of their agreement in relation to lease of the Premises.		
b) Total operating lease income credited to the Statement of Profit and Loss ₹ 644.78 Lacs (previous year ₹ 1,078.10 lacs)		
c) Total minimum lease payments receivable		
<b>The total of minimum lease payments for the period</b>		
Not more than one year	614.81	558.70
Not less than one year and not more than five years	5,424.11	2,042.14
More than five years	68,231.56	10,836.58
<b>20. OTHER INCOME</b>		
Interest received	1,533.57	4,412.60
Dividend received (From Co-operative Bank)	5.73	5.72
Maintenance Income (Net)	628.95	49.90
Income from sale of fixed assets	-	2.74
Income from sale of Shares	-	3,301.70
Profit on sale of Mutual Fund	1.31	143.50
Miscellaneous income	110.26	652.36
<b>Total</b>	<b>2,279.82</b>	<b>8,568.52</b>
<b>21. COST OF MATERIAL CONSUMED</b>		
Tenancy / claims / FSI / development rights/Land	3,479.82	4,612.73
Cost of material consumed	52,432.02	61,447.77
<b>Total</b>	<b>55,911.84</b>	<b>66,060.50</b>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
Opening finished goods	21,305.15	23,819.00
Opening work-in-progress	10,69,231.03	10,35,835.17
Adjustment during the period	-	5,901.87
<b>Sub Total</b>	<b>10,90,536.18</b>	<b>10,53,752.30</b>
Closing finished goods	31,434.96	21,305.15
Closing work-in-progress	10,74,896.34	10,69,231.03
<b>Sub Total</b>	<b>11,06,331.30</b>	<b>10,90,536.18</b>
<b>Total</b>	<b>(15,795.12)</b>	<b>(36,783.88)</b>

# NOTES ON THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
a) Salaries and incentives	3,829.11	3,468.81
b) Contributions to - Provident and other funds	356.98	336.09
c) Staff welfare expenses	78.65	63.26
<b>Total</b>	<b>4,264.74</b>	<b>3,868.16</b>
As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :		
The Company has created Employee's Group Gratuity Fund with Life Insurance Corporation of India, and obtained Group Gratuity Assurance Policy from LIC for the benefit of employees.		
<b>A) Gratuity Plan :-</b>		
<b>Defined Benefit Plan</b>		
The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
<b>i) Reconciliation of opening and closing balance of the present value of the defined benefit obligation</b>		
Obligation at beginning of period	427.97	344.81
Interest cost	34.79	29.16
Current service cost	65.52	51.76
Prior Year Charge	11.46	0.04
Benefits paid	(7.60)	(39.37)
Benefits payable	(25.46)	(0.53)
Actuarial (gain) loss on defined benefit obligation	15.26	42.10
<b>Obligation at period end</b>	<b>521.94</b>	<b>427.97</b>
<b>ii) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows</b>		
Opening fair value of plan assets	212.06	227.68
Expected return	27.03	19.87
Actuarial gains and (losses)	(10.46)	(0.29)
Contribution by employer	-	0.22
Benefits paid	(27.73)	(35.42)
<b>Closing fair value of plan assets</b>	<b>200.90</b>	<b>212.06</b>
<b>iii) Amounts to be recognised in the Balance Sheet</b>		
Projected benefit obligation, at the end of the period	521.94	427.97
Fair value of plan assets at end of the period	200.90	212.06
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(321.04)</b>	<b>(215.91)</b>
<b>iv) Gratuity cost for the period</b>		
Current service cost	65.52	51.76
Adjustment to opening fund	11.46	0.04
Interest cost on obligation	34.79	29.16
Expected return on plan assets	(27.03)	(19.87)
Net actuarial (gain) / loss	25.72	42.39
Reversal of benefits payable in previous period	-	(4.23)
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>110.46</b>	<b>99.25</b>

# NOTES ON THE FINANCIAL STATEMENTS

	(₹ in Lacs)	
Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>B) Leave encashment liability :-</b>		
The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
The following table set out the status of the leave encashment plan as required under AS - 15.		
<b>i) Reconciliation of opening and closing balance of the present value of the defined benefit obligation</b>		
Obligation at beginning of the period	211.51	171.53
Interest cost	19.01	15.43
Current service cost	40.19	30.48
Prior year charge	60.06	5.86
Actuarial (gain) /loss on defined benefit obligation	34.16	(11.79)
<b>Obligation at period end</b>	<b>364.93</b>	<b>211.51</b>
<b>ii) Amounts to be recognised in the Balance Sheet</b>		
Projected benefit obligation, at the end of the period	364.93	211.51
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(364.93)</b>	<b>(211.51)</b>
<b>iii) Leave Encashment cost for the period</b>		
Current service cost	40.19	30.48
Interest cost on obligation, at the end of the period	19.01	15.43
Prior year charge	60.06	5.86
Net actuarial (gain) / loss	34.16	(11.79)
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>153.42</b>	<b>39.98</b>
<b>C) Valuation Assumptions</b>		
Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.		
i) Discount Rate	7.80%	7.70%
ii) Salary Growth	7.00%	7.00%
iii) Expected rate of return		
- Gratuity	7.80%	8.00%
- Leave encashment	NA	NA
iv) Mortality	Indian Assured Lives Mortality (2006-08)	
v) Withdrawals	5% at younger ages reducing to 1% to older ages	
vi) Retirement age	60 or 65 Years As Applicable	
vii) Leave Consumption Factors	1.25% at all ages (previous year 10% at younger ages tapering to 2% at older ages)	
viii) Method of Valuation	Projected Unit Credit Method	
<b>24. FINANCE COST</b>		
a) Interest expenses :		
i) Project specific interest expenses	30,854.75	32,843.22
ii) Other interest	4,865.68	5,618.06
b) Other borrowing cost	1,000.00	232.79
<b>Total</b>	<b>36,720.43</b>	<b>38,694.07</b>

# NOTES ON THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>25. OTHER EXPENSES</b>		
Advertisement and sales promotion expenses	353.03	1,065.95
Commission and brokerage	673.49	211.90
Electricity charges	1,181.29	1,160.35
Insurance charges	6.23	9.56
Bank charges	22.92	60.89
Other expenses	2,240.58	338.78
Loss on sale of fixed assets	367.93	-
Loss on foreign exchange fluctuation	2.22	0.07
Membership and subscription	10.87	11.42
Printing and stationery	58.55	46.50
Security charges	450.89	313.78
Professional fees	1,249.32	818.73
Rent paid (Refer Note 25.1)	26.25	25.00
Rates and taxes	1,015.36	806.42
Repairs and maintenance to buildings	2.68	3.85
Repairs and maintenance to other assets	13.74	73.28
Stamping and registration	144.13	112.16
Communication expenses	95.98	105.15
Postages and telegram expenses	3.10	5.63
Travelling and conveyance expenses	356.99	297.63
Remuneration to auditors (Refer Note 25.2)	120.00	120.00
Directors remuneration, commission and sitting fees(Refer Note 25.3)	210.00	209.80
Donations	-	33.00
Filing fees paid to the Registrar of Companies	0.31	0.15
<b>Total</b>	<b>8,605.86</b>	<b>5,830.00</b>
<b>Above expenses includes Project related expenses</b>	<b>4,041.36</b>	<b>3,522.60</b>
<b>25.1 Assets taken on lease :</b>		
a) General description of leasing arrangement		
i) Leased assets : Residential and Commercial Premises		
ii) Future lease rentals are determined on the basis of agreed terms.		
iii) At the expiry of the lease term, the Company agrees to record the new terms and condition of their agreement in relation to lease of the Premises.		
b) Total operating lease expenses debited to the Statement of Profit and Loss ₹ 26.25 lacs (previous year ₹ 25.00 lacs)		
c) Total minimum lease payments payable		
<b>The total of minimum lease payments for year :</b>		
Not more than one year	33.00	34.20
Not less than one year and not more than five years	-	6.00
More than five years	-	-
<b>25.2 Remuneration to Auditors</b>		
a) Audit fees	60.00	60.00
b) Taxation matters	60.00	60.00
<b>Total</b>	<b>120.00</b>	<b>120.00</b>
<b>25.3 Managerial Remuneration</b>		
a) Commission to Non Executive Directors	200.00	200.00
b) Sitting fees	10.00	9.80
<b>Total</b>	<b>210.00</b>	<b>209.80</b>

# NOTES ON THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>26. Computation of net profits for Commission payable to the Non executive Directors</b>		
Profit before tax as per Statement of Profit and Loss	28,854.11	30,753.25
Add: Remuneration to the Executive Chairman and Vice Chairman & Managing Director	-	-
Commission to Non Executive Directors	200.00	200.00
Sitting fees	10.00	9.80
Depreciation charged in account	547.60	671.26
Net Loss on sale of fixed assets as per account	367.93	-
	<b>29,979.64</b>	<b>31,634.31</b>
Less: Depreciation as per Section 123 of the Companies Act, 2013	547.60	671.26
Net Profit on sale of Fixed Assets as per account	-	2.74
Net Profit on sale of Investment as per account	-	3,301.70
	547.60	3,972.96
Net profit as per Section 198 of the Companies Act, 2013	<b>29,432.04</b>	<b>27,658.61</b>
Commission payable to Non Executive Directors @ 1% of the net profit	294.32	276.59
Restricted to	200.00	200.00
<b>26. CIF VALUE OF IMPORTS</b>		
Value of imports calculated on CIF basis	Nil	Nil
<b>27. EXPENDITURE IN FOREIGN CURRENCY</b>		
Expenditure in foreign currency		
- Other matters	233.23	123.56
<b>28. EARNINGS IN FOREIGN CURRENCY</b>		
Earnings in foreign currency	Nil	Nil
<b>29. EARNINGS PER EQUITY SHARE HAS BEEN COMPUTED AS UNDER:</b>		
(a) Net profit after tax as per Statement of Profit and Loss	26,496.25	22,633.35
(b) Add : Excess provision for tax no longer required	7,504.29	633.33
(c) Add : Mat Credit Availed	213.30	-
(d) Less : Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	-	281.73
(e) Net Profit attributable to Equity Shareholders	<b>34,213.84</b>	<b>22,984.95</b>
(f) Number of fully paid equity shares used in computing earnings per equity share		
Basic	Nos. 41,90,03,986	41,90,03,986
Diluted	Nos. 41,90,03,986	41,90,03,986
(g) Basic Earnings per share	8.17	5.49
(h) Diluted Earnings per share	8.17	5.49
(i) Nominal value per equity share is ₹ 10/- fully paid		

# NOTES ON THE FINANCIAL STATEMENTS

## 30. RELATED PARTY DISCLOSURE

A. List of related parties with whom transactions have taken place during the current accounting year and relationship:

### Wholly owned subsidiary

Privilege Power and Infrastructure Private Limited	100%
HDIL Entertainment Private Limited (upto 03.07.2014)	100%
Blue Star Realtors Private Limited	100%
Guruashish Construction Private Limited	100%
Excel Arcade Private Limited	100%
Mazda Estates Private Limited	100%

### Other subsidiary

Ravijyot Finance and Leasing Private Limited	60%
BKC Developers Private Limited	99%
Lashkaria Construction Private Limited	69%
HC Infracity Private Limited	75%

### Enterprise significantly influenced by key management personnel

Privilege Airways Private Limited

### Joint Venture

Fine Developers  
Heritage Housing Development Corporation

### Key management personnel

#### Name

Shri Darshan D. Majmudar

#### Designation

Chief Financial Officer & Company Secretary

## B. Transactions with related party

(₹ in Lacs)

Nature of transaction	31 <sup>st</sup> March, 2016					31 <sup>st</sup> March, 2015				
	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Management Personnel	Total	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Management Personnel	Total
Loans/advances repaid	-	-	-	-	-	79,978.00	-	-	-	79,978.00
Purchase of Land / FSI	227.95	-	-	-	227.95	167.13	-	-	-	167.13
Advance for project	(42,116.35)	-	-	-	(42,116.35)	(10,131.61)	-	-	-	(10,131.61)
Investment in firm	-	-	100.00	-	100.00	-	-	-	-	-
Salary paid	-	-	-	60.00	60.00	-	-	-	60.00	60.00
Travelling expenses	-	64.10	-	-	64.10	-	-	-	-	-
Outstanding as at year end- Due from	8,654.23	-	101.58	-	8,755.81	8,654.23	-	1.58	-	8,655.81
Outstanding as at year end- Due to	27,543.44	47.72	-	-	27,591.16	69,659.79	600.69	-	-	70,260.48

**C. Disclosure in respect of material transactions with related parties during the year (included in 'B' above)** (₹ in Lacs)

Particulars	Percentage of Holding	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>Loans/advances returned</b>			
<b>Wholly own subsidiary</b>			
Privilege Power and Infrastructure	100%	-	19,884.91
Blue Star Realtors Private Limited	100%	-	28,591.21
Mazda Estate Private Limited	100%	-	37.47
Excel Arcade Private Limited	100%	-	72.58
Guruashish Construction Private Limited	100%	-	5,352.34
HDIL Entertainment Private Limited	100%	-	137.05
<b>Other subsidiary</b>			
Ravijyot Finance And Leasing Private Limited	60%	-	19,362.41
BKC Developers Private Limited	99%	-	6,540.03
<b>Total</b>		<b>-</b>	<b>79,978.00</b>
<b>Traveling Expenses</b>			
Privilege Airways Private Limited		64.10	-
<b>Total</b>		<b>64.10</b>	<b>-</b>
<b>Investment in partnership firm</b>			
Heritage Housing Development Corporation		100.00	-
<b>Total</b>		<b>100.00</b>	<b>-</b>
<b>Purchase of Land / FSI</b>			
Privilege Power & Infrastructure Private Limited	100%	227.95	167.13
<b>Total</b>		<b>227.95</b>	<b>167.13</b>
<b>Advance for projects</b>			
Privilege Power & Infrastructure Private Limited	100%	(42,116.35)	(10,131.61)
<b>Total</b>		<b>(42,116.35)</b>	<b>(10,131.61)</b>
<b>Salary paid</b>			
Shri Darshan D. Majmudar		60.00	60.00
<b>Total</b>		<b>60.00</b>	<b>60.00</b>
<b>Investments / Outstandings :</b>			
<b>Other subsidiary</b>			
Lashkaria Construction Private Limited	69%	5,668.46	5,668.46
HC Infracity Private Limited	75%	2,985.77	2,985.77
<b>Total</b>		<b>8,654.23</b>	<b>8,654.23</b>
<b>Joint Ventures</b>			
Fine Developers		1.58	1.58
Heritage Housing Development Corporation		100.00	-
<b>Total</b>		<b>101.58</b>	<b>1.58</b>
<b>Trade payable, advances for projects</b>			
Privilege Airways Private Limited		47.72	600.69
Privilege Power & Infrastructure Private Limited		27,543.44	69,659.79
<b>Total</b>		<b>27,591.16</b>	<b>70,260.48</b>

Particulars	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>31. CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
a) (i) Claims against the Company not acknowledged as debts (represents suits filed by the parties in the Court, and disputed by the Company)	35,188.40	35,613.79
(ii) Income-tax demands disputed by the Company (net of amounts provided)	40,666.36	13,287.67
b) Guarantees provided by the bank	652.02	656.20
Includes Bank Gurantee of ₹ 10.00 lacs (previous year ₹ Nil) to Pollution Control Board, Lucknow on behalf of the HC Infracity Private Limited a subsidiary of the Company.		
c) Corporate guarantee		
(i) The Company has provided an undertaking to pay in the event of default on loans given by Banks to following subsidiary Companies		
Guruashish Construction Private Limited	21,500.00	21,500.00
Privilege Power and Infrastructure Private Limited	75,600.00	75,600.00
(ii) The Company has facilitated a vendor financing, setting up with IDBI bank limit upto ₹ 5,000.00 lacs. The Company has extended it's corporate guarantee to the IDBI bank.	5,000.00	5,000.00
<b>32. COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	-	-
<b>33. NATURE OF OPERATIONS: -</b>		
Housing Development and Infrastructure Limited (HDIL) is a leading real estate and infrastructure development Company.		
<b>34. Previous year figures have been reclassified to conform to this year's classification.</b>		

As per our Report of even date attached

For and on behalf of the Board of Directors

 For **THAR & CO.**

 Chartered Accountants,  
 Firm Registration Number: 110958W

**Rakesh Kumar Wadhawan**  
 Executive Chairman

**Sarang Wadhawan**  
 Vice Chairman & Managing Director

**Jayesh R. Thar**

 (Partner)  
 Membership No. 032917

**Ashok Kumar Gupta**  
 Director

**Raj Kumar Aggarwal**  
 Director

**Hazari Lal**  
 Director

**Darshan D. Majmudar**  
 Chief Financial Officer & Company Secretary

 Place : Mumbai  
 Date: May 28, 2016

**Sandhya Baliga**  
 Director

## BLUE STAR REALTORS PRIVATE LIMITED

CIN : U45200MH1990PTC055968

Registered Office: Dewan Tower, Station Road, Vasai (West), Thane – 401 202

Tel: +91 22 6788 9000, Fax: +91 22 6788 9090, e-mail id: [info@hdil.in](mailto:info@hdil.in)

# NOTICE



20th ANNUAL REPORT 2015-16

**NOTICE** is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **BLUE STAR REALTORS PRIVATE LIMITED** will be held on Thursday, September 15, 2016, at 5:00 p.m. at Registered Office of the Company situated at Dewan Tower, Station Road, Vasai (West), Thane – 401 202, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Gupta (DIN: 00145816), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Thirty-First AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax, as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **Blue Star Realtors Private Limited**

Place: Mumbai  
Date: May 28, 2016

**Ashok Kumar Gupta**  
Director  
DIN: 00145816

**NOTES**

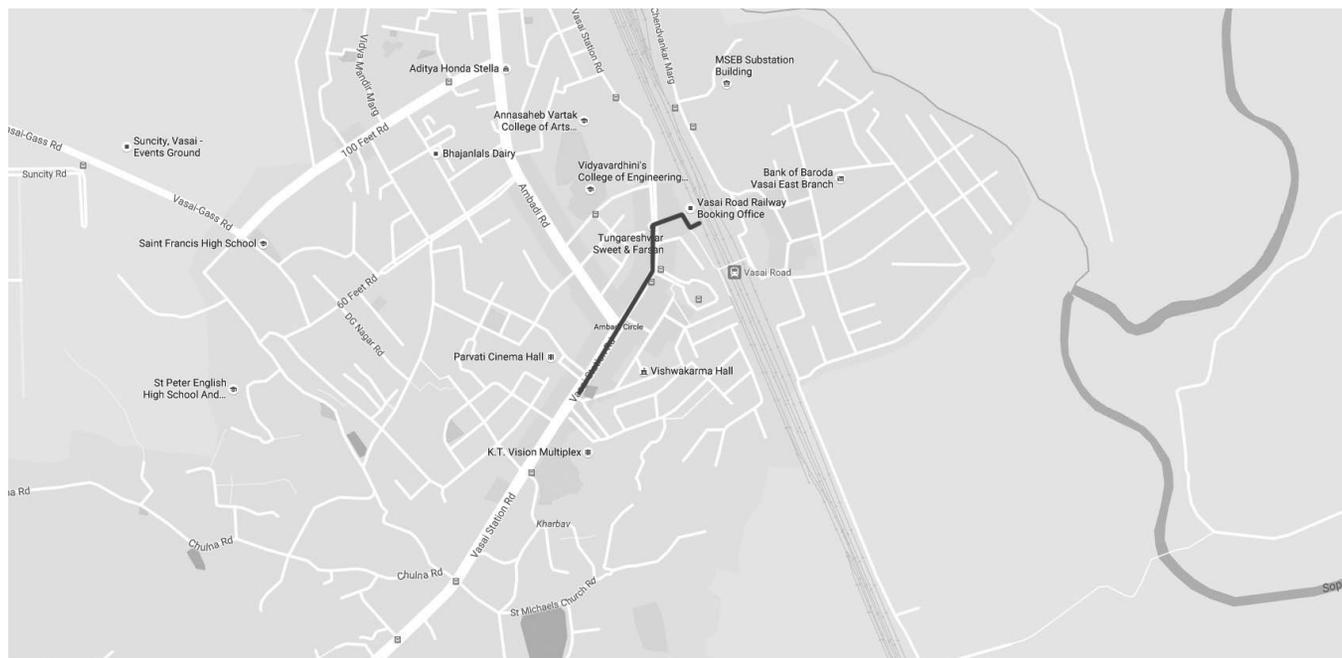
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.

A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

- 2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 (“the Act”), are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- 3. A Route map showing directions to reach the venue of the 26<sup>th</sup> AGM is given at the end of the this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: Dewan Tower, Station Road, Vasai (West), Thane – 401 202



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

### BACKGROUND AND OPERATIONS

Your Company is a wholly owned subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate development.

#### Project:

The Company was in process to setup a specific Special Economic Zone ("SEZ") for Information Technology ("IT") at Kalamassery, Kochi, Kerala admeasuring an area of 28.32 hectares.

However, the Company has applied for de notification of SEZ and post that the Company will look forward to develop or sell the land, considering the market scenario at that time.

### FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	₹ In Lacs)	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	<b>3.00</b>	<b>3.00</b>
Profit before finance cost, depreciation, amortisation and taxation	1.48	770.13
Finance Cost	0.05	768.35
Depreciation and Amortization	-	-
<b>Operational profit before tax</b>	<b>1.43</b>	<b>1.78</b>
Less: Tax Expenses	0.45	0.57
Profit for the year	0.98	1.21
Balance brought forward	13.43	12.22
Add: Other adjustments	-	-
Profit available for appropriation	14.41	13.43
<b>Closing Balance</b>	<b>14.41</b>	<b>13.43</b>
<b>Net Worth</b>	<b>28,523.89</b>	<b>28,522.91</b>

### STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

Your Company has earned ₹ 3.00 lacs revenue during the year under review and the Company has made a Profit of ₹ 0.98 lacs during the year as against profit of ₹ 1.21 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

### DIVIDEND

To conserve the resources, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

### SHARE CAPITAL

The paid-up share capital of the Company on March 31, 2016 was ₹ 691.09 lacs. During the F.Y., there has been no change in the issued, subscribed and paid up share capital of the Company.

### RESERVES

The Board of Directors ("the Board") have not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the F.Y. has been carried forward to the surplus in the Statement of Profit and Loss.

### FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

## DIRECTORS

In accordance with the provisions of Section 152 of the Act, Mr. Ashok Kumar Gupta is liable to retire by rotation at the ensuing Annual General Meeting (“AGM”) of the Company and being eligible offers himself for re-appointment.

Your Company received declaration from all Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed by Section 149(6) of the Act.

During the F.Y., there was no change in the constitution of the Board of Directors of the Company.

## DIRECTORS’ RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## NUMBER OF MEETINGS OF THE BOARD

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met seven (7) times viz. on May 14, 2015, August 8, 2015, September 1, 2015, October 6, 2015, November 7, 2015, January 14, 2016 and February 13, 2016.

### Attendance of the Directors:

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Mr. Ashok Kumar Gupta	6	6
2	Mr. Sarang Wadhawan	6	6
3	Mr. Lakhminder Dyal Singh	6	6
4	Mrs. Sandhya Baliga	6	4
5	Mr. Hazari Lal	6	4

## COMMITTEES OF THE BOARD

Your Company has following committees of the Board, which are in place in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee

### AUDIT COMMITTEE:

The Audit Committee comprises of the following Directors:

- Mrs. Sandhya Baliga - Chairperson
- Mr. Sarang Wadhawan - Member
- Mr. Hazari Lal - Member

During the F.Y., the Audit Committee met once (1) time viz. on May 14, 2015.

All the recommendations made by the Audit Committee were accepted by the Board.

#### Attendance of the Members of Audit Committee:

Sr. No.	Name of Member	Number of Audit Committee Meetings	
		Held	Attended
1	Mrs. Sandhya Baliga	1	1
2	Mr. Hazari Lal	1	1
3	Mr. Sarang Wadhawan	1	1

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of the following Directors:

- Mrs. Sandhya Baliga - Chairperson
- Mr. Sarang Wadhawan - Member
- Mr. Hazari Lal - Member

#### STATUTORY AUDITORS

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Auditors of your Company, who retire at the ensuing AGM, are eligible for re-appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

#### EXPLANATION ON AUDITORS' REPORT

There are no qualifications, reservations, adverse remarks or disclaimers made by Auditors in their Report dated May 28, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

#### INTERNAL FINANCIAL CONTROL

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Pursuant to Section 186 of the Act, particulars of the loans given, investments made provided under respective notes in Financial Statements.

#### RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act, are not attracted and hence the disclosure in form AOC-2 is not required.

Suitable disclosures as required under AS-18 have been made in Note 22 of the Notes to the financial statements.

#### RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board of Directors has in place a Risk Management Policy, to manage risk through a detailed Policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

#### NOMINATION AND REMUNERATION POLICY

The Company has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors. The detailed policy is annexed as **Annexure 'B'**.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

During the F.Y., the Company has neither earned nor used any foreign exchange.

**REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

**INFORMATION OF MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 28, 2016, being the date of this report.

**APPRECIATION**

Your Directors express their sincere thanks to the Business Associates and Government Authorities for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 28, 2016

**Ashok Kumar Gupta**  
**Director**  
**DIN: 00145816**

**Sarang Wadhawan**  
**Director**  
**DIN: 00028608**

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	
2. Registration Date	March 26, 1990
3. Name of the Company	Blue Star Realtors Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	Dewan Tower, Station Road, Vasai (West), Thane – 401 202 Tel: +91 22 6788 9000 Fax: +91 22 6788 9090 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	100.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	34,00,000	34,00,000	100.00	-	34,00,000	34,00,000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>34,00,000</b>	<b>34,00,000</b>	<b>100.00</b>	-	<b>34,00,000</b>	<b>34,00,000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>34,00,000</b>	<b>34,00,000</b>	<b>100.00</b>	-	<b>34,00,000</b>	<b>34,00,000</b>	<b>100.00</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	34,00,000	34,00,000	100.00	-	34,00,000	34,00,000	100.00	-

(ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	34,00,000	100.00	-	34,00,000	100.00	-	-
	<b>Total</b>	34,00,000	100.00	-	34,00,000	100.00	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in Promoters Shareholding during the year specifying the reason for increase/ (decrease):	-	-	-	-
	At the end of the year	-	-	-	-

## (iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. Of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-

## (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Mr. Sarang Wadhawan	-	-	-	-
2	Mr. Ashok Kumar Gupta	-	-	-	-
3	Mr. Lakhminder Dyal Singh	-	-	-	-
4	Mrs. Sandhya Baliga	-	-	-	-
5	Mr. Hazari Lal	-	-	-	-
	<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>	-	-	-	-
	<b>At the end of the year: Directors and KMP:</b>				
1	Mr. Sarang Wadhawan	-	-	-	-
2	Mr. Ashok Kumar Gupta	-	-	-	-
3	Mr. Lakhminder Dyal Singh	-	-	-	-
4	Mrs. Sandhya Baliga	-	-	-	-
5	Mr. Hazari Lal	-	-	-	-

## V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
				Indebtedness
(₹ in Lacs)				
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A. (A)****B. Remuneration to other Directors:**

					(₹ in Lacs)
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mrs. Sandhya Baliga	Mr. Hazari Lal		
1	<b>Independent Directors</b>				
	Fee for attending Board / Committee Meetings	0.30	0.30		0.60
	Commission	-	-		-
	Others, please specify	-	-		-
	<b>Total (1)</b>	0.30	0.30		0.60
2	<b>Other Non-Executive Directors</b>	<b>Mr. Ashok Kumar Gupta</b>	<b>Mr. Sarang Wadhawan</b>	<b>Mr. Lakhminder Dyal Singh</b>	-
	Fee for attending Board / Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B) = (1+2)</b>				<b>0.60</b>
Ceiling as per the Act		₹ 0.06 lacs (being 3% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)			
<b>Total Managerial Remuneration = (A+B)</b>				-	<b>0.60</b>
Overall Ceiling as per the Act		₹ 0.22 lacs (being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)			

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: Nil****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai

Date: May 28, 2016

**Ashok Kumar Gupta**  
 Director  
 DIN: 00145816

**Sarang Wadhawan**  
 Director  
 DIN: 00028608

# ANNEXURE 'B'

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated and approved by the Board of Directors at its Meeting held on March 14, 2015.

### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- that the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- to carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- to lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz. Executive, Non-Executive and Independent Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being and such other Rules / Regulations, as may be notified by MCA from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### DEFINITIONS

In this policy unless the context otherwise requires:

"Act" shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

"Board of Directors" or "Board" in relation to the Company means the collective body of the Directors of the Company.

"Company" means Blue Star Realtors Private Limited.

"Directors" means Directors of the Company.

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) in relation to a Company means,

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed under the Act.

"Senior Management Personnel" mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall have minimum three Directors as Members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of the following Directors:

- |    |                     |  |             |
|----|---------------------|--|-------------|
| 1) | Mrs. Sandhya Baliga | Non-Executive Independent Director     | Chairperson |
| 2) | Mr. Hazari Lal      | Non-Executive Independent Director     | Member      |
| 3) | Mr. Sarang Wadhawan | Non-Executive Non-Independent Director | Member      |

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee inter-alia will be the following:

- identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- devising a policy on Board diversity;
- formulation of criteria for evaluation of Independent Directors and the Board;
- ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors and
- decide / approve details of fixed components and performance linked incentives along with criteria.

## APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

### (i) Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

### (ii) Term / Tenure:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly and
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### (iii) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### (iv) Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

### (v) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board Meeting minutes.

### i. Remuneration to Whole-time / Executive / Managing Director

#### Fixed pay:

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

#### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### Provisions for excess remuneration:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### ii. Remuneration / Commission to Non-Executive / Independent Director

#### Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 10,000/- per Meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

#### Commission:

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 3% of the profits of the Company computed as per the applicable provisions of the Act, if there are no Managing or Whole-Time Director of the Company.

In case, where the Company has appointed Managing or Whole-Time Director then Commission shall be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## REVIEW

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

\*\*\*\*\*

# INDEPENDENT AUDITORS' REPORT

To the Members of **BLUE STAR REALTORS PRIVATE LIMITED,**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **BLUE STAR REALTORS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 16 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No.: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
Date : May 28, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on March 31, 2016 of BLUE STAR REALTORS PRIVATE LIMITED:**

- (i) The Company does not have any fixed assets and therefore the provisions of clause (i) of paragraph 3 of the Order are not applicable to the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, limited liability Partnerships or other parties covered in the register maintained under Section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under to the extent notified .
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service-Tax, VAT, cess and other material applicable statutory dues have generally been regularly deposited with the appropriate authorities and as on March 31, 2016, no such dues were outstanding for a period of more than six months from the date they became payable.  
 (b) According to the information and explanations given to us, there are no material dues of Service Tax, Value Added Tax, which have not been deposited with the appropriate authorities on account of any dispute except following Income-tax demand:

Name of the statute	Nature of dues	₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	52.70	F.Y. 2013-14	Deputy Commissioner (Appeals)-1, Thane
Income Tax Act, 1961		15.65	F.Y. 2012-13	Assessing Officer Central Circle 5(4)

- (viii) The Company does not have any dues to Banks, Financial Institutions or Debenture Holders and hence the provisions under clause (viii) of the paragraph 3 of the Order are not applicable to the Company.
- (ix) The Company has not raised money through initial public offers or further public offers or debt instruments or term loans during the financial year.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause (xi) of the paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Act and hence the provisions under clause (xii) of the paragraph 3 of the Order are not applicable.
- (xiii) Based on the audit procedure performed and the representation from the management, no case of related party transactions occurred during the financial year and hence the provisions under Section 177 and 188 are not applicable for the Company.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 451A of the Reserve Bank of India Act, 1934.

For **Thar & Co.**,  
 Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**  
 Partner  
 Membership No.: 032917

Place : Mumbai  
 Date : May 28, 2016

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BLUE STAR REALTORS PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Thar & Co.**,

Chartered Accountants

Firm Registration No.: 110958W

**Jayesh R. Thar**

**Partner**

**Membership No.: 032917**

Place : Mumbai

Date : May 28, 2016

**BALANCE SHEET AS AT**

(₹ in Lacs)

Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	691.09		691.09	
Reserves and Surplus	3	27,832.79	28,523.88	27,831.81	28,522.90
<b>(2) Current Liabilities</b>					
Trade payables	4	-		1.63	
Other current liabilities	5	13,373.32		11,454.70	
Short-term provisions	6	0.51	13,373.83	0.63	11,456.96
<b>Total</b>			<b>41,897.71</b>		<b>39,979.86</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Non-current investments	7		25.00		25.00
<b>(2) Current assets</b>					
Inventories	8	41,870.66		39,951.68	
Cash and bank balances	9	2.05		2.39	
Short-term loans and advances	10	-	41,872.71	0.80	39,954.87
<b>Total</b>			<b>41,897.71</b>		<b>39,979.87</b>
<b>Significant accounting policies</b>	1				

(Accompanying notes are an integral part of the financial statements)

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Sarang Wadhawan**

(Director)

**Ashok Kumar Gupta**

(Director)

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

Place : Mumbai

Date : May 28, 2016

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Other Income	11	3.00	3.00
<b>Total Revenue</b>		<b>3.00</b>	<b>3.00</b>
<b>Expenses:</b>			
Cost of materials consumed	12	1,911.03	832.95
Changes in inventories of work-in-progress	13	(1,918.97)	(1,606.19)
Finance Costs	14	0.05	768.35
Other expenses	15	9.46	6.11
<b>Total Expenses</b>		<b>1.57</b>	<b>1.22</b>
Profit before tax		<b>1.43</b>	<b>1.78</b>
Tax expense:			
Current tax :		0.45	0.57
Deferred tax : charge / (credit)		-	-
<b>Profit for the year</b>		<b>0.98</b>	<b>1.21</b>
<b>Earnings per equity share of ₹ 10/-</b>	21		
(1) Basic		(0.49)	(0.48)
(2) Diluted		(0.49)	(0.48)
<b>Significant accounting policies</b>	1		
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Sarang Wadhawan**

(Director)

**Ashok Kumar Gupta**

(Director)

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

Place : Mumbai

Date : May 28, 2016

# CASH FLOW STATEMENT FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

Particulars	(₹ in Lacs)	
	March 31, 2016	March 31, 2015
<b>A Cash flow from operating activities</b>		
Net profit before tax	1.43	1.78
Adjustments for :		
Investment income	(3.00)	(3.00)
Operating profit before working capital changes	(1.57)	(1.22)
Movements in working capital :		
Decrease / (Increase) in inventories	(1,918.97)	(1,606.19)
Decrease / (Increase) in short term loans and advances	0.80	(0.80)
(Decrease) / Increase in trade payables and other current liabilities	1,917.03	2,433.13
Net movement in working capital	(1.14)	826.14
Cash used in operations	(2.71)	824.92
Less : Direct taxes paid (net of refund)	0.63	0.67
Net cash used in operating activities	<b>(3.34)</b>	<b>824.25</b>
<b>B Cash flows from investing activities</b>		
Investment income	3.00	3.00
Net cash used in investing activities	<b>3.00</b>	<b>3.00</b>
<b>C Cash flows from financing activities</b>		
Proceeds from issue of preference share capital	-	28,087.04
Share issue expenses written off	-	(1.90)
Repayment of borrowings	-	(28,591.21)
Redemption of preference capital	-	(321.20)
Net cash from financing activities	-	<b>(827.27)</b>
Net increase in cash and cash equivalents (A + B + C)	(0.34)	(0.02)
Cash and cash equivalents at the beginning of the year	2.39	2.41
Cash and cash equivalents at the end of the year	<b>2.05</b>	<b>2.39</b>
<b>Components of cash and cash equivalents as at</b>	<b>31-Mar-2016</b>	<b>31-Mar-2015</b>
Cash on hand	1.52	1.53
With banks - on current account	0.53	0.86
<b>Total</b>	<b>2.05</b>	<b>2.39</b>

Notes :

- 1) The above cash flow statement has been prepared under the "indirect method" as set out in accounting standard - 3 "Cash Flow Statement".
- 2) Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Sarang Wadhawan**

(Director)

**Hazari Lal**

(Director)

**Ashok Kumar Gupta**

(Director)

**Sandhya Baliga**

(Director)

Place : Mumbai

Date : May 28, 2016

# NOTES ON THE FINANCIAL STATEMENTS

## 1 Significant accounting policies

### A i) Basis of preparation:

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### ii) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### B Investment:

Investments that are readily realisable and are intended to be held for not more than a year from the date, on which such investments are made, are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost. Provision for diminution in value of long term investment is made to recognise a decline other than temporary as specified in Accounting Standard (AS 13) on "Accounting for Investments".

### C Inventories:

Inventories are valued as follows:

Work-in-progress : Lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes, Cost of land, direct materials, labour, construction expenses and borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyancing and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### D Revenue recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

### E Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

### F Taxes on income:

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## NOTES ON THE FINANCIAL STATEMENTS

### G Segment reporting policies:

The main business of the Company is real estate development and construction of residential and commercial properties, and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

### H Earnings per share:

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### I Provisions, contingent liabilities and contingent assets:

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

		(₹ in Lacs)	
Particulars		As at March 31, 2016	As at March 31, 2015
<b>2 SHARE CAPITAL</b>			
<b>Authorised</b>			
34,00,000 (previous year 34,00,000) Equity shares of ₹ 10/- each		340.00	340.00
36,00,000 (previous year 36,00,000) Preference shares of ₹ 10/- each		360.00	360.00
<b>Total</b>		<b>700.00</b>	<b>700.00</b>
<b>Issued, Subscribed and Paid Up</b>			
34,00,000 (previous year 34,00,000) Equity shares of ₹10/- each fully paid.		340.00	340.00
35,10,880 (previous year 35,10,880) 5% Cumulative Optionally Convertible Preference shares of ₹10/- each fully paid.		351.09	351.09
<b>Total</b>		<b>691.09</b>	<b>691.09</b>
<b>Reconciliation of the number of shares outstanding :</b>			
Equity Shares outstanding at the beginning of the year		34,00,000	34,00,000
Shares Issued during the year		-	-
Shares bought back during the year		-	-
<b>Equity Shares outstanding at the end of the year</b>		<b>34,00,000</b>	<b>34,00,000</b>
Preference Shares outstanding at the beginning of the year		35,10,880	12,84,780
Shares Issued during the year		-	35,10,880
Shares redeemed during the year		-	12,84,780
<b>Preference Shares outstanding at the end of the year</b>		<b>35,10,880</b>	<b>35,10,880</b>
<b>Terms / rights attached to shares :</b>			
<b>Equity shares</b>			
The Company has only one class of equity shares of ₹ 10/- each. Equity shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.			
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.			
<b>Preference shares</b>			
The preference shareholders have right to vote on the matter pertaining to their rights at the shareholders meeting and are entitled to receive dividend in proportion to their shareholding upon declaration by the Company.			

# NOTES ON THE FINANCIAL STATEMENTS

Shares in the Company held by each shareholder holding more than 5 percent :

(₹ in Lacs)

Particulars		As at March 31, 2016	As at March 31, 2015
<b>Equity Shares</b>			
Housing Development and Infrastructure Limited - holding Company	Nos	34,00,000	34,00,000
	%	100%	100%
<b>Preference Shares</b>			
Housing Development and Infrastructure Limited - holding Company	Nos	35,10,880	35,10,880
	%	100%	100%
<b>3 RESERVE AND SURPLUS</b>			
<b>Capital Reserve</b>			
Opening Balance		6.00	6.00
<b>Closing Balance</b>		<b>6.00</b>	<b>6.00</b>
<b>Capital Redemption Reserve</b>			
Opening Balance		62.07	62.07
<b>Closing Balance</b>		<b>62.07</b>	<b>62.07</b>
<b>Securities Premium Account</b>			
Opening Balance		27,750.31	208.98
Add : Securities premium credited on Share issue		-	27,735.95
Less: Share issue expenses written off		-	1.90
Less : Premium on redemption of Preference shares		-	192.72
<b>Closing Balance</b>		<b>27,750.31</b>	<b>27,750.31</b>
<b>Surplus in the Statement of Profit and Loss</b>			
Opening Balance		13.43	12.22
Add : Net Profit for the current year		0.98	1.21
Add : Excess Provision for taxation no longer required		-	-
<b>Closing Balance</b>		<b>14.41</b>	<b>13.43</b>
<b>Total</b>		<b>27,832.79</b>	<b>27,831.81</b>
<b>4 TRADE PAYABLES</b>			
Trade Payables		-	1.63
<b>Total</b>		<b>-</b>	<b>1.63</b>
<b>Micro, Small and Medium Enterprises</b>			
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.			
<b>5 OTHER CURRENT LIABILITIES</b>			
Statutory dues payable		0.37	0.10
Other payables		13,372.95	11,454.60
<b>Total</b>		<b>13,373.32</b>	<b>11,454.70</b>

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
Particulars	As at March 31, 2016	As at March 31, 2015	
<b>6 SHORT TERM PROVISIONS</b>			
Provision for taxation	1.81	1.96	
Less : Tax Paid	1.30	1.33	
<b>Total</b>	<b>0.51</b>	<b>0.63</b>	
<b>7 NON CURRENT INVESTMENTS</b>			
<b>Non trade investments</b>			
<b>Unquoted shares (at cost) (long term)</b>			
Punjab and Maharashtra Co - Operative Bank Limited	25.00	25.00	
1,00,000/- (Previous year 1,00,000) Equity shares of ₹25/- each fully paid			
<b>Total</b>	<b>25.00</b>	<b>25.00</b>	
<b>8 INVENTORIES</b>			
Work -in-progress (lower of cost or net realisable value)	41,870.66	39,951.68	
<b>Total</b>	<b>41,870.66</b>	<b>39,951.68</b>	
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.			
<b>9 CASH AND BANK BALANCES</b>			
Cash and Cash equivalents			
Cash on hand	1.52	1.53	
Balance with banks - In current accounts	0.53	0.86	
<b>Total</b>	<b>2.05</b>	<b>2.39</b>	
<b>10 SHORT TERM LOANS AND ADVANCES</b>			
Unsecured, considered good			
For goods and services	-	0.80	
<b>Total</b>	<b>-</b>	<b>0.80</b>	
Particulars	Year ended March 31, 2016	Year ended March 31, 2015	
<b>11 OTHER INCOME</b>			
Dividend received (From Co-operative Bank)	3.00	3.00	
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	
<b>12 COST OF MATERIALS CONSUMED</b>			
Construction materials and other expenses	1,911.03	832.95	
<b>Total</b>	<b>1,911.03</b>	<b>832.95</b>	
<b>13 CHANGES IN WORK - IN - PROGRESS</b>			
Opening work-in-progress	39,951.68	38,345.49	
Less : Closing work-in-progress	41,870.65	39,951.68	
<b>Total</b>	<b>(1,918.97)</b>	<b>(1,606.19)</b>	
<b>14 FINANCE COST</b>			
Project specific interest expenses	-	768.29	
Interest on deferment of advance tax	0.05	0.06	
<b>Total</b>	<b>0.05</b>	<b>768.35</b>	

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
Particulars		Year ended March 31, 2016	Year ended March 31, 2015
<b>15 OTHER EXPENSES</b>			
Security charges		5.20	4.95
Bank charges		0.01	0.02
Miscellaneous expenses		0.04	0.07
Printing and stationery		-	0.01
Professional fees		2.83	0.11
Profession tax		0.02	0.22
Remuneration to auditors			
Audit fees		0.57	0.56
Directors remuneration and sitting fees		0.68	-
Filing fees paid to the Registrar of Companies		0.11	0.17
<b>Total</b>		<b>9.46</b>	<b>6.11</b>
Project related expenses included in above		7.94	4.95
<b>16</b>	Contingent liabilities not provided for :		
	i) Dividend to Cumulative Preference share Holders	35.11	17.55
	ii) Income-tax demands disputed by the Company	68.35	374.61
<b>17</b>	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
<b>18</b>	Value of imports on C.I.F. basis	Nil	Nil
<b>19</b>	Earnings in foreign exchange	Nil	Nil
<b>20</b>	Expenditure in foreign currency	Nil	Nil
<b>21</b>	<b>Earnings per equity share :-</b>		
a.	Profit or loss attributable to equity shareholders		
	Profit for the year	₹ 0.97	1.21
	Less: Dividend on cumulative preference shares	₹ (17.55)	(17.55)
		₹ (16.58)	(16.34)
b.	Weighted average number equity shares of ₹10/- each fully paid	Nos. 34,00,000	34,00,000
c.	EPS - Basic	₹ (0.49)	(0.48)
	- Diluted	₹ (0.49)	(0.48)

## 22 Related party disclosures

- a List of related parties with whom transactions have taken place during the current accounting year and relationship:  
Housing Development and Infrastructure Limited - holding Company
- b Key management personnel:  
Not applicable
- c Enterprise significantly influenced by key management personnel:  
Not applicable

# NOTES ON THE FINANCIAL STATEMENTS

d Transaction with Related Party:

(₹ in Lacs)

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates	Key Management Personnel	Total	Holding Company	Associates	Key Management Personnel	Total
Loans/advances repaid	-	-	-	-	28,591.21	-	-	28,591.21

Disclosure in respect of material transactions with related parties during the year	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances repaid</b>		
Housing Development and Infrastructure Limited	-	28,591.21

## 23 Nature of operations

The Company is engaged in the business of real estate development.

## 24 Previous year figures have been reclassified to conform to this year classification.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Sarang Wadhawan**

(Director)

**Ashok Kumar Gupta**

(Director)

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

Place : Mumbai

Date : May 28, 2016

## NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Members of **BKC DEVELOPERS PRIVATE LIMITED** will be held on Thursday, September 15, 2016, at 10:00 a.m. at 3rd Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Venkatavarathan Iyengar (DIN: 00418374), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Eighteenth AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **BKC Developers Private Limited**

**Venkatavarathan Iyengar**

**Director**

**DIN: 00418374**

Place: Mumbai

Date: May 28, 2016

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.

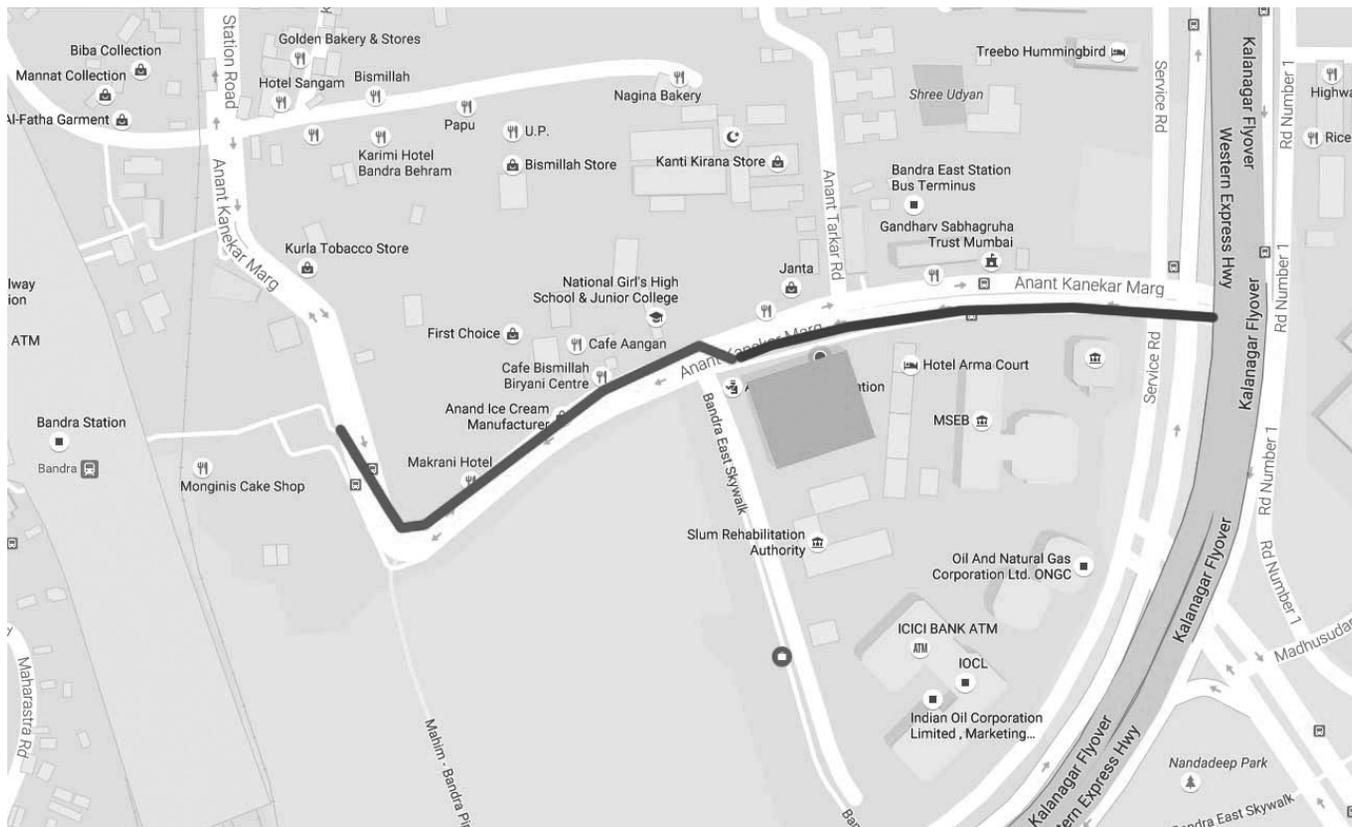
A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 (“the Act”), are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

3. A Route map showing directions to reach the venue of the 13th AGM is given at the end of the this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: 3rd Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051



# DIRECTORS' REPORT

## Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

## BACKGROUND AND OPERATIONS

Your Company is a subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate development.

## FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	₹ In Lacs	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	-	<b>0.34</b>
Profit before finance cost, depreciation, amortisation and taxation	(1.15)	(0.43)
Finance Cost	-	-
Depreciation and Amortization	-	-
<b>Operational profit before tax</b>	<b>(1.15)</b>	<b>(0.43)</b>
Less: Tax Expenses	0.07	-
<b>Profit for the year</b>	<b>(1.22)</b>	<b>(0.43)</b>
Balance brought forward	(59.67)	(59.24)
Profit available for appropriation	(60.89)	(59.67)
<b>Closing Balance</b>	<b>(60.89)</b>	<b>(59.67)</b>
<b>Net Worth</b>	<b>(50.89)</b>	<b>(49.67)</b>

## STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

The Company has incurred Loss of ₹ 1.22 lacs during the year as against Loss of ₹ 0.43 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

## DIVIDEND

In view of losses for the year, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

## SHARE CAPITAL

The paid-up equity share capital of the Company as at March 31, 2016 was ₹ 10 lacs. During the F.Y., there was no change in the issued, subscribed and paid up share capital of the Company.

## RESERVES

In view of losses for the year, no amount has been transferred to reserves.

## FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

## EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

## DIRECTORS

In accordance with the provisions of Section 152 of the Act, Mr. Venkatavarathan Iyengar is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible offers himself for re-appointment.

Your Company received declaration from all Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed by Section 149(6) of the Act.

During the F.Y., there was no change in the constitution of the Board of Directors ("the Board") of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the loss of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### NUMBER OF MEETINGS OF THE BOARD

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met seven (7) times viz. on May 14, 2015, June 1, 2015, August 8, 2015, September 1, 2015, October 6, 2015, January 11, 2016 and February 13, 2016.

#### Attendance of the Directors:

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Mr. Venkatavarathan Iyengar	7	7
2	*Mr. Francis Fernandes	7	2
3	Mrs. Sandhya Baliga	7	4
4	Mr. Hazari Lal	7	4
5	**Mr. Minesh Shah	7	5

\*Mr. Francis Fernandes ceased to be a Director w.e.f. June 1, 2015.

\*\*Mr. Minesh Shah was appointed as a Director w.e.f. June 1, 2015.

#### COMMITTEES OF THE BOARD

Your Company has following committees of the Board, which are in place in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee

#### AUDIT COMMITTEE

The Audit Committee comprises of the following Directors:

1. Mr. Hazari Lal - Chairman
2. Mrs. Sandhya Baliga - Member
3. Mr. Venkatavarathan Iyengar - Member

During the F.Y., the Audit Committee met once viz. on May 14, 2015.

All the recommendations made by the Audit Committee were accepted by the Board.

#### Attendance of the Members of Audit Committee:

Sr. No.	Name of Member	Number of Audit Committee Meetings	
		Held	Attended
1	Mr. Hazari Lal	1	1
2	Mrs. Sandhya Baliga	1	1
3	Mr. Venkatavarathan Iyengar	1	1

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of the following Directors:

1. Mr. Hazari Lal - Chairman
2. Mrs. Sandhya Baliga - Member
3. Mr. Venkatavarathan Iyengar - Member

During the F.Y., the Nomination and Remuneration Committee passed a Circular Resolution dated May 29, 2015, which was assented by all the Members of the Committee.

#### STATUTORY AUDITORS

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Auditors of your Company, who retire at the ensuing AGM of the Company are eligible for appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

#### **EXPLANATION ON AUDITORS' REPORT**

As regards the observation by the Auditor in the Auditor's Report regarding delay in payment of Statutory dues the Company will take remedial measures to ensure non-occurrence of such event in future.

There are no qualifications, reservations, adverse remarks or disclaimers made by Auditors in their Report dated May 28, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

#### **INTERNAL FINANCIAL CONTROL**

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Pursuant to Section 186 of the Act, particulars of the loans given, investment made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security is proposed to be utilised by such recipient are provided under respective notes in Financial Statements.

#### **RELATED PARTY TRANSACTIONS**

During the F.Y., there were no related party transactions.

#### **RISK MANAGEMENT**

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board has in place a Risk Management policy to manage risk through a detailed policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

#### **NOMINATION AND REMUNERATION POLICY**

The Company has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors.

The detailed policy is annexed as 'Annexure B'.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the F.Y.

During the F.Y., the Company has neither earned nor used any foreign exchange.

#### **REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

#### **INFORMATION OF MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 28, 2016, being the date of this report.

#### **APPRECIATION**

Your Directors express their sincere thanks to the Business Associates and Government Authorities for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 28, 2016

<b>Venkatavarathan Iyengar</b>	<b>Minesh Shah</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 00418374</b>	<b>DIN: 00267842</b>

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U74999MH2003PTC143045
2. Registration Date	November 7, 2003
3. Name of the Company	BKC Developers Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	5th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Tel: +91 22 6788 9000 Fax: +91 22 6788 9090 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of Company	Address of Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	98.50	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) **Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	98,500	98,500	98.50	-	98,500	98,500	98.50	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>98,500</b>	<b>98,500</b>	<b>98.50</b>	-	<b>98,500</b>	<b>98,500</b>	<b>98.50</b>	-
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	<b>98,500</b>	<b>98,500</b>	<b>98.50</b>	-	<b>98,500</b>	<b>98,500</b>	<b>98.50</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
i) Indian	-	1,500	1,500	1.50	-	1500	1500	1.50	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	1,500	1,500	1.50	-	1,500	1,500	1.50	-
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	-	1,500	1,500	1.50	-	1,500	1,500	1.50	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1,00,000	1,00,000	100.00	-	1,00,000	1,00,000	100.00	-

## (ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	98,500	98.50	-	98,500	98.50	-	-
	Total	98,500	98.50	-	98,500	98.50	-	-

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year:	-	-	-	-
Date wise increase/ decrease in Promoters Shareholding during the year specifying the reason for increase/ decrease:	-	-	-	-
At the end of the year:	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
Sapphire Land Development Private Limited	1,500	1.50	-	-	1,500	1.50

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Mr. Venkatavarathan Iyengar	-	-	-	-
2	Mrs. Sandhya Baliga	-	-	-	-
3	Mr. Hazari Lal	-	-	-	-
4	*Mr. Francis Fernandes	-	-	-	-
	<b>Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>	-	-	-	-
	<b>At the end of the year: Directors and KMP:</b>				
1	Mr. Venkatavarathan Iyengar	-	-	-	-
2	Mrs. Sandhya Baliga	-	-	-	-
3	Mr. Hazari Lal	-	-	-	-
4	**Mr. Minesh Shah	-	-	-	-

\*Mr. Francis Fernandes ceased to be a Director w.e.f. June 1, 2015.

\*\*Mr. Minesh Shah was appointed as a Director w.e.f. June 1, 2015.

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in Lacs)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
● Addition	-	-	-	-
● Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager: N.A. (A)****B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	<b>Independent Directors</b>	<b>Mrs. Sandhya Baliga</b>	<b>Mr. Hazari Lal</b>	
	Fee for attending Board / Committee Meetings	0.30	0.30	0.60
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	<b>0.30</b>	<b>0.30</b>	<b>0.60</b>
2	<b>Other Non-Executive Directors</b>	<b>Mr. Venkatavarathan Iyengar</b>	<b>Mr. Minesh Shah</b>	
	Fee for attending Board / Committee Meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	-	-	-
<b>Total (B) = (1+2)</b>				<b>0.60</b>
	Ceiling as per the Act	Nil (Being 3% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)		
<b>Total Managerial Remuneration = (A+B)</b>				<b>0.60</b>
	Overall Ceiling as per the Act	Nil (Being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)		

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: N.A.****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
 Date: May 28, 2016

**Venkatavarathan Iyengar**      **Minesh Shah**  
**Director**                              **Director**  
**DIN: 00418374**                      **DIN: 00267842**

# ANNEXURE 'B'

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated and approved by the Board of Directors at its Meeting held on March 14, 2015.

### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- that the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- to carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- to lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz. Executive, Non-Executive and Independent Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being and such other Rules / Regulations, as may be notified by MCA from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### DEFINITIONS

In this policy unless the context otherwise requires:

**"Act"** shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

**"Board of Directors"** or **"Board"** in relation to the Company means the collective body of the Directors of the Company.

**"Company"** means BKC Developers Private Limited.

**"Directors"** means Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** (KMP) in relation to a Company means,

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed under the Act.

**"Senior Management Personnel"** mean employees of the company who are members of its core management team excluding Board of

Directors including the functional / vertical heads.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee shall have minimum three Directors as Members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of the following Directors:

1)	Mr. Hazari Lal	Non-Executive Independent Director	Chairman
2)	Mrs. Sandhya Baliga	Non-Executive Independent Director	Member
3)	Mr. Venkatavarathan Iyengar	Non-Executive Non-Independent Director	Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

#### **ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE**

The role of the Committee inter-alia will be the following:

- identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- devising a policy on Board diversity;
- formulation of criteria for evaluation of Independent Directors and the Board;
- ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors and
- decide / approve details of fixed components and performance linked incentives along with criteria.

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

##### **(i) Appointment criteria and qualifications:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

##### **(ii) Term / Tenure:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly;
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

##### **(iii) Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

##### **(iv) Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

##### **(v) Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position /

remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board Meeting minutes.

### i. Remuneration to Whole-time / Executive / Managing Director

#### Fixed pay:

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break- up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

#### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### Provisions for excess remuneration:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### ii. Remuneration / Commission to Non-Executive / Independent Director

#### Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 10,000/- per Meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

#### Commission:

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 3% of the profits of the Company computed as per the applicable provisions of the Act, if there are no Managing or Whole-time Director of the Company.

In case, where the Company has appointed Managing or Whole-time Director then Commission shall be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## REVIEW

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

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# INDEPENDENT AUDITORS' REPORT

To the Members of **BKC DEVELOPERS PRIVATE LIMITED,**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **BKC DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No.: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
Date : May 28, 2016

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on March 31, 2016 of BKC DEVELOPERS PRIVATE LIMITED:**

- (i) The Company does not have any fixed assets and therefore the provisions of clause (i) of paragraph 3 of the Order are not applicable to the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service-Tax, VAT, cess and other material applicable statutory dues have generally been regularly deposited with the appropriate authorities and as on March 31, 2016, no such dues were outstanding for a period of more than six months from the date they became payable except for the following:-

Nature of dues (including interest)	₹ in Lakhs
Tax Deducted at Source	28.20
Service Tax	0.05

- (b) In our opinion and according to the information and explanations given to us by the management there are no dues of Income tax, Sales tax, Service tax, Custom duty and Excise duty, VAT and Cess, which have not been deposited on account of any dispute.
- (viii) The Company does not have any dues to Banks, Financial Institutions or Debenture Holders and accordingly the provisions of clause (viii) of the paragraph 3 of the Order, are not applicable to the Company.
- (ix) The Company has not raised funds through initial public offer or further public offer (including debt instruments) and term loans during the financial year.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause (xi) of the paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Act and hence the provisions under clause (xii) of the paragraph 3 of the Order are not applicable.
- (xiii) Based on the audit procedure performed and the representation from the management, no case of related party transactions occurred during the financial year and hence the provisions under section 177 and 188 are not applicable for the Company.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Thar & Co.**,  
 Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**  
 Partner  
 Membership No.: 032917

Place : Mumbai  
 Date : May 28, 2016

## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BKC DEVELOPERS PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Thar & Co.**,  
 Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**  
 Partner  
 Membership No.: 032917

Place : Mumbai  
 Date : May 28, 2016

**BALANCE SHEET AS AT**

(₹ in Lacs)

Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	10.00		10.00	
Reserves and Surplus	3	(60.89)	(50.89)	(59.67)	(49.67)
<b>(2) Current Liabilities</b>					
Other current liabilities	4		6,656.04		6,654.94
<b>Total</b>			<b>6,605.15</b>		<b>6,605.27</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Deferred tax assets (net)	5	-		0.07	
Long term loans and advances	6	3,048.66	3,048.66	3,048.66	3,048.73
<b>(2) Current assets</b>					
Inventories	7	3,555.01		3,555.01	
Cash and bank balances	8	1.48	3,556.49	1.53	3,556.54
<b>Total</b>			<b>6,605.15</b>		<b>6,605.27</b>
<b>Significant accounting policies</b>	1				

(Accompanying notes are an integral part of the financial statements)

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

Place : Mumbai

Date : May 28, 2016

For and on behalf of the Board of Directors

**Venkatavarthan Iyengar**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

**Minesh Shah**

(Director)

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

		(₹ in Lacs)	
Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income</b>			
Other Income	9	-	0.34
<b>Total Revenue</b>		<b>-</b>	<b>0.34</b>
<b>Expenses</b>			
Changes in inventories of work-in-progress	10	-	-
Other expenses	11	1.15	0.77
<b>Total Expenses</b>		<b>1.15</b>	<b>0.77</b>
Profit/(Loss) before tax		<b>(1.15)</b>	<b>(0.43)</b>
Tax expense			
Current tax		-	-
Deferred tax charge / (credits)		0.07	-
<b>Profit/(Loss) for the year</b>		<b>(1.22)</b>	<b>(0.43)</b>
<b>Earnings per equity share of ₹ 10/-</b>			
(1) Basic	17	(1.22)	(0.43)
(2) Diluted		(1.22)	(0.43)
<b>Significant accounting policies</b>			
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

Place : Mumbai

Date : May 28, 2016

For and on behalf of the Board of Directors

**Venkatavarthan Iyengar**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

**Minesh Shah**

(Director)

# CASH FLOW STATEMENT FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
<b>A Cash flow from operating activities</b>				
Net profit before tax		(1.15)		(0.43)
Adjustments for :				
Operating profit before working capital changes		(1.15)		(0.43)
Movements in working capital :				
Decrease / (Increase) in work in progress	-		-	
(Decrease) / Increase in trade payables and other current liabilities	1.10		6,540.78	
Net movement in working capital		1.10		6,540.78
Cash used in operations		(0.05)		6,540.35
Less : Direct taxes paid (net of refunds)		-		-
Net cash used in operating activities		(0.05)		6,540.35
<b>B Cash flows from investing activities</b>				
Net cash used in investing activities		-		-
<b>C Cash flows from financing activities</b>				
Proceeds from borrowings		-		(6,540.03)
Net cash from financing activities		-		(6,540.03)
Net increase in cash and cash equivalents (A + B + C)		(0.05)		0.32
Cash and cash equivalents at the beginning of the year		1.53		1.21
Cash and cash equivalents at the end of the year		<b>1.48</b>		<b>1.53</b>
<b>Components of cash and cash equivalents as at</b>		<b>31-Mar-2016</b>		<b>31-Mar-2015</b>
Cash on hand		0.37		0.40
With banks - on current account		1.11		1.13
		<b>1.48</b>		<b>1.53</b>

## Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- Figures in the brackets indicate outflow.

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

Place : Mumbai

Date : May 28, 2016

For and on behalf of the Board of Directors

**Venkatavarthan Iyengar**

(Director)

**Sandhya Baliga**

(Director)

**Hazari Lal**

(Director)

**Minesh Shah**

(Director)

# NOTES ON THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES:

### A a) Basis of preparation:

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities as on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

## B Inventories:

Work-in-progress : Lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses and borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyancing and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

## C Revenue recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of units in real estate: -

Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

Other income: -

Other income is accounted on accrual basis.

## D Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

## E Income taxes:

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## NOTES ON THE FINANCIAL STATEMENTS

### **F Segment reporting policies:**

The main business of the Company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities in India and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

### **G Earnings per share:**

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **H Impairment:**

- i. The carrying amounts of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- ii. After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- iii. A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined has no impairment loss been recognised.

### **I Provisions, contingent liabilities and contingent assets:**

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	As At March 31, 2016	As At March 31, 2015		
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
1,00,000 (Previous year 1,00,000) Equity shares of ₹ 10/- each	<b>10.00</b>	<b>10.00</b>		
<b>Issued, Subscribed and Paid Up</b>				
1,00,000 (Previous year 1,00,000) Equity shares of ₹ 10/- each fully paid	10.00	10.00		
<b>Total</b>	<b>10.00</b>	<b>10.00</b>		
<b>Reconciliation of the number of shares outstanding :</b>				
<b>Particulars</b>	<b>Number</b>	<b>Number</b>		
Shares outstanding at the beginning of the year	1,00,000	1,00,000		
Shares Issued during the year	-	-		
Shares bought back during the year	-	-		
<b>Shares outstanding at the end of the year</b>	<b>1,00,000</b>	<b>1,00,000</b>		
<b>Terms / rights attached to shares :</b>				
The Company has only one class of shares i.e. equity shares of ₹ 10/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.				
<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>				
<b>Particulars</b>	<b>No.</b>	<b>% held</b>	<b>No.</b>	<b>% held</b>
Housing Development and Infrastructure Limited - Holding Company	98,500	98.50%	98,500	98.50%

(₹ in Lacs)

Particulars	As At March 31, 2016	As At March 31, 2015
<b>3 RESERVE AND SURPLUS</b>		
Surplus in the Statement of Profit and Loss		
Opening Balance	(59.67)	(59.24)
Less : (Net Loss) for the current year	(1.22)	(0.43)
<b>Closing Balance</b>	<b>(60.89)</b>	<b>(59.67)</b>
<b>Total</b>	<b>(60.89)</b>	<b>(59.67)</b>
<b>4 OTHER CURRENT LIABILITIES</b>		
Advances from customers	3.04	3.04
Statutory dues payable	28.31	28.20
Other payable	6,624.69	6,623.70
<b>Total</b>	<b>6,656.04</b>	<b>6,654.94</b>
<b>5 DEFFERED TAX ASSETS (NET)</b>		
<b>Arising on account of timing differences in Assets</b>		
Preliminary expenses written off	-	0.07
<b>Total</b>	<b>-</b>	<b>0.07</b>

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
Particulars	As At March 31, 2016	As At March 31, 2015	
<b>6 LONG TERM LOANS AND ADVANCES</b>			
Unsecured, considered good			
Income tax refund receivable	134.34	134.34	
Other loans and advances	2,914.32	2,914.32	
<b>Total</b>	<b>3,048.66</b>	<b>3,048.66</b>	
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.			
<b>7 INVENTORIES</b>			
Work -in-progress (lower of cost or net realisable value)	3,555.01	3,555.01	
<b>Total</b>	<b>3,555.01</b>	<b>3,555.01</b>	
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.			
<b>8 CASH AND BANK BALANCES</b>			
Cash and Cash equivalents			
Cash on hand	0.37	0.40	
Balance with banks - In current accounts	1.11	1.13	
<b>Total</b>	<b>1.48</b>	<b>1.53</b>	
Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015	
<b>9 OTHER INCOME</b>			
Miscellaneous income	-	0.34	
<b>Total</b>	<b>-</b>	<b>0.34</b>	
<b>10 CHANGES IN WORK - IN - PROGRESS</b>			
Opening work-in-progress	3,555.01	3,555.01	
Less: Closing work-in-progress	3,555.01	3,555.01	
<b>Total</b>	<b>-</b>	<b>-</b>	
<b>11 OTHER EXPENSES</b>			
Other expenses	0.01	0.03	
Printing and stationery	-	0.01	
Bank Charges	0.02	0.03	
Professional fees	0.09	0.11	
Profession tax	0.03	0.28	
Remuneration to Auditors			
Audit fees	0.29	0.28	
Directors sitting fees	0.68	-	
Filing fees paid to the Registrar of Companies	0.04	0.03	
<b>Total</b>	<b>1.15</b>	<b>0.77</b>	

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars		Year Ended March 31, 2016	Year Ended March 31, 2015
12	Contingent liabilities not provided for:	Nil	Nil
13	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
14	Value of imports on C.I.F. basis	Nil	Nil
15	Earnings in foreign exchange	Nil	Nil
16	Expenditure in foreign currency	Nil	Nil
17	<b>Earnings per equity share</b>		
a.	Profit or loss attributable to equity shareholders		
	Loss after tax	₹ (1.22)	(0.43)
		₹ (1.22)	(0.43)
b.	Weighted average number equity shares of ₹10/- each fully paid	Nos. 1,00,000	1,00,000
c.	EPS (in ₹)		
	- Basic	₹ (1.22)	(0.43)
	- Diluted	₹ (1.22)	(0.43)

## 18 Related party disclosure

- List of related parties with whom transactions have taken place during the year and relationship  
Housing Development and Infrastructure Limited - holding Company
- Key management personnel  
Not applicable
- Enterprise significantly influenced by key management personnel  
Not applicable
- Transactions with related parties

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates	Key Management Personnel	Total	Holding Company	Associates	Key Management Personnel	Total
Loans/advances repaid		-	-	-	6,540.03	-	-	6,540.03

Disclosure in respect of material transactions with related parties during the year	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances repaid</b>		
Housing Development and Infrastructure Limited	-	6,540.03

## 19 Nature of operations

The Company is engaged in the business of real estate development.

## 20 Previous year figures have been reclassified to conform to this year's classification.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Venkatavarthan Iyengar**

(Director)

**Hazari Lal**

(Director)

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Sandhya Baliga**

(Director)

**Minesh Shah**

(Director)

Place : Mumbai

Date : May 28, 2016

## NOTICE

**NOTICE** is hereby given that the 9<sup>th</sup> Annual General Meeting of the Members of **EXCEL ARCADE PRIVATE LIMITED** will be held on Wednesday, September 14, 2016, at 11:00 a.m. at Registered Office of the Company situated at 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051, to transact the following business:

### ORDINARY BUSINESS

- To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Mr. Sarang Wadhawan (DIN: 00028608), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
- Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Fourteenth AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax, as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

- Appointment of Mr. Sanjay Kumar Singh (DIN: 02556239) as a Director**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sanjay Kumar Singh (DIN: 02556239), who was appointed as an Additional Director of the Company with effect from July 20, 2016, in terms of Section 161 of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member, proposing his candidature for the office of Director, of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By order of the Board of Directors  
for **Excel Arcade Private Limited**

**Sarang Wadhawan**  
Director  
DIN: 00028608

Place : Mumbai  
Date: July 20, 2016

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.**

**A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.**

- The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 (**“the Act”**) in respect of the business under Item No. 4 of the accompanying Notice are annexed hereto.
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- A Route map showing directions to reach the venue of the 9<sup>th</sup> AGM is given at the end of the this Notice as per requirement of the Secretarial Standard - 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("**the Act**"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice:

**ITEM NO. 4**

Pursuant to the provisions of Section 161 of the Act, Mr. Sanjay Kumar Singh (DIN: 02556239) who was appointed as an Additional Director of the Company with effect from July 20, 2016, holds office up to the date of the ensuing Annual General Meeting of the Company and is eligible for appointment.

A brief profile of Mr. Sanjay Kumar Singh is annexed to this Notice.

In terms of Section 160 of the Act, the Company has received a notice in writing along with a deposit of ₹ 1,00,000/- from a Member signifying his intention to propose the candidature of Mr. Sanjay Kumar Singh for the office of Director.

Except Mr. Sanjay Kumar Singh, being an appointee, none of the Directors of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

Accordingly, your Directors commends the Ordinary Resolution for the approval of the Members appointing Mr. Sanjay Kumar Singh as a Director of the Company, who shall be liable to retire by rotation.

By order of the Board of Directors  
for **Excel Arcade Private Limited**

**Sarang Wadhawan**  
Director  
DIN: 00028608

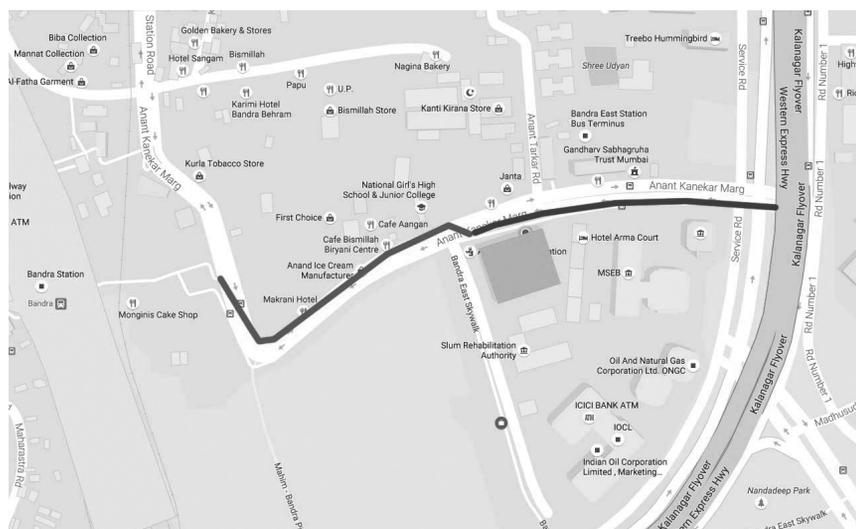
Place : Mumbai  
Date: July 20, 2016

**DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING**

<b>Name of the Director</b>	<b>Mr. Sanjay Kumar Singh</b>
<b>Age</b>	<b>52 years</b>
<b>Qualification(s)</b>	MBA from Maastricht School of Management, Netherland, LLB from Lucknow University and Bsc.
<b>Experience</b>	Mr. Sanjay Kumar Singh has 26 years of experience in Management, Human Resources, administration and allied activities.
<b>Terms &amp; conditions alongwith details of details</b>	Mr. Sanjay Kumar Singh shall be appointed as a Director of the Company, who shall be liable for retire by rotation.
<b>Date of first Appointment</b>	July 20, 2016
<b>Number of Shares Held</b>	-
<b>Relationship with other Directors &amp; Key Managerial Personnel</b>	Nil
<b>No. of Meetings of the Board attended during the financial year 2015-16</b>	Nil
<b>Other Directorship(s) in other Public Companies</b>	Privilege Industries Limited
<b>Committee Positions in other Public Companies</b>	Nil

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051



# DIRECTORS' REPORT

## Dear Members,

Your Directors have pleasure in presenting the 9<sup>th</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

## BACKGROUND AND OPERATIONS

Your Company is a wholly owned subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate development.

### Project:

The Company under the scheme of MHADA, has undertaken project on MHADA Land for Redevelopment of 14 Buildings consisting of 448 tenants admeasuring total plot area 26,058.75 Sq.Mt., situated at Kannamwar Nagar, Vikhroli.

The said project of Redevelopment which is for project affected persons is in process.

## FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	₹ In Lacs	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	-	-
Profit before finance cost, depreciation, amortisation and taxation	0.70	314.93
Finance Cost	-	315.64
Depreciation and Amortization	-	-
<b>Operational profit before tax</b>	<b>(0.70)</b>	<b>(0.71)</b>
Less: Tax Expenses	0.05	-
<b>Profit for the year</b>	<b>(0.75)</b>	<b>(0.71)</b>
Balance brought forward	(1.54)	(0.83)
Add: Other adjustments	-	-
Profit available for appropriation	(2.29)	(1.54)
<b>Closing Balance</b>	<b>(2.29)</b>	<b>(1.54)</b>
<b>Net Worth</b>	<b>474.77</b>	<b>475.52</b>

## STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

Your Company has incurred a loss of ₹ 0.75 lacs during the year as against ₹ 0.71 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

## DIVIDEND

In view of losses for the year, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

## SHARE CAPITAL

The paid-up equity share capital of the Company on March 31, 2016 was ₹ 195.40 lacs. During the F.Y., there has been no change in the issued, subscribed and paid-up share capital of the Company.

## RESERVES

In view of losses for the year, no amount has been transferred to Reserves.

## FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

## EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

## DIRECTORS

In accordance with the provisions of Section 152 of the Act, Mr. Sarang Wadhawan is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible offers himself for re-appointment.

In accordance with the provisions of Section 161 of the Act, the Board of Directors ("the Board") at its Meeting held on July 20, 2016, had appointed Mr. Sanjay Kumar Singh as an Additional Director of the Company, and he holds office up to the conclusion of the ensuing AGM.

Your Company had received notice in writing pursuant to Section 160 of the Act from a Member along with deposit of ₹ 1,00,000/- signifying its intention to propose the candidature of Mr. Sanjay Kumar Singh as Director of the Company at the ensuing AGM of the Company and his appointment is hereby proposed for the approval of the Members.

This appointment forms part of the Notice of the ensuing AGM and the Resolution is recommended for your approval.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2016 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met six (6) times viz. on May 14, 2015, August 8, 2015, October 6, 2015, November 23, 2015, January 27, 2016 and February 12, 2016.

#### **Attendance of the Directors:**

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Mr. Sarang Wadhawan	6	6
2	Mr. Deepak Shirke	6	6
3	Mr. Virendra Vora	6	1

#### **STATUTORY AUDITORS**

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Statutory Auditors of your Company, who retire at the ensuing AGM of the Company are eligible for appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

#### **EXPLANATION ON AUDITORS' REPORT**

There are no qualifications, reservations, adverse remarks or disclaimers made by Auditors in their Report dated May 27, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

#### **INTERNAL FINANCIAL CONTROL**

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Pursuant to Section 186 of the Act, particulars of the loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security is proposed to be utilised by such recipient are provided under respective notes in Financial Statements.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act, are not attracted and hence the disclosure in form AOC-2 is not required.

Suitable disclosures as required under AS-18 have been made in Note 22 of the Notes to the financial statements.

#### **RISK MANAGEMENT**

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board has in place a Risk Management Policy, to manage risk through a detailed policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the F.Y..

During the F.Y., the Company has neither earned nor used any foreign exchange.

#### **REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

#### **INFORMATION OF MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to July 20, 2016, being the date of this report.

#### **APPRECIATION**

Your Directors express their sincere thanks to the Business Associates, Banks, Financial Institutions and Government Authorities for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 20, 2016

**Sarang Wadhawan**  
Director  
DIN: 00028608

**Deepak Shirke**  
Director  
DIN: 07108915

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
 (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U45400MH2007PTC169321
2. Registration Date	March 28, 2007
3. Name of the Company	Excel Arcade Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	3 <sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Tel: +91 22 6788 7000 Fax: +91 22 6788 8175 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	100.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	19,54,000	19,54,000	100.00	-	19,54,000	19,54,000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>19,54,000</b>	<b>19,54,000</b>	<b>100.00</b>	-	<b>19,54,000</b>	<b>19,54,000</b>	<b>100.00</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>19,54,000</b>	<b>19,54,000</b>	<b>100.00</b>	-	<b>19,54,000</b>	<b>19,54,000</b>	<b>100.00</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>1954000</b>	<b>1954000</b>	<b>100.00</b>	-	<b>1954000</b>	<b>1954000</b>	<b>100.00</b>	-

**(ii) Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	1,954,000	100.00	-	19,54,000	100.00	-	-
	<b>Total</b>	<b>19,54,000</b>	<b>100.00</b>	<b>-</b>	<b>19,54,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in Promoters Shareholding during the year specifying the reason for increase/ (decrease):				
	At the end of the year	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Mr. Sarang Wadhawan	-	-	-	-
2	Mr. Deepak Shirke	-	-	-	-
3	Mr. Virendra Vora	-	-	-	-
	<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>				
	<b>At the end of the year: Directors and KMP:</b>				
1	Mr. Sarang Wadhawan	-	-	-	-
2	Mr. Deepak Shirke	-	-	-	-
3	Mr. Virendra Vora	-	-	-	-

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:**

Particulars	(₹ in Lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.****B. Remuneration to other Directors: NIL****C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: N.A.****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 20, 2016**Sarang Wadhawan**  
**Director**  
**DIN: 00028608****Deepak Shirke**  
**Director**  
**DIN: 07108915**

# INDEPENDENT AUDITORS' REPORT

To the Members of **EXCEL ARCADE PRIVATE LIMITED,**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **EXCEL ARCADE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No.: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
Date : May 27, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on March 31, 2016 of EXCEL ARCADE PRIVATE LIMITED:**

- (i) The Company does not have any fixed assets and therefore the provisions of clause (i) of paragraph 3 of the Order are not applicable to the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as specified in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service-Tax, VAT, cess and other material applicable statutory dues have generally been regularly deposited with the appropriate authorities and as on March 31, 2016, no such dues were outstanding for a period of more than six months from the date they became payable.  
 (b) According to the information and explanations given to us, there are no material dues of service tax, value added tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any dues to Banks, Financial Institutions or Debenture Holders and accordingly the provisions of clause (viii) of the paragraph 3 of the Order are not applicable to the Company.
- (ix) The Company has not raised money through initial public offers or further public offers or debt instruments or terms loans during the financial year.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause xi of the paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Act and hence the provisions under clause (xii) of the paragraph 3 of the Order are not applicable.
- (xiii) Based on the audit procedure performed and the representation from the management, no case of related party transactions occurred during the financial year and hence the provisions under Section 177 and 188 are not applicable for the Company.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934.

For **Thar & Co.**,

Chartered Accountants

Firm Registration No.: 110958W

**Jayesh R. Thar**

**Partner**

**Membership No.: 032917**

Place : Mumbai

Date : May 27, 2016

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **EXCEL ARCADE PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Thar & Co.**,

Chartered Accountants

Firm Registration No.: 110958W

**Jayesh R. Thar**

**Partner**

**Membership No: 032917**

Place : Mumbai

Date : May 27, 2016

# BALANCE SHEET AS AT

(₹ in Lacs)

Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	195.40		195.40	
Reserves and Surplus	3	279.37	474.77	280.12	475.52
<b>(2) Current Liabilities</b>					
Trade payables	4	1.04		1.04	
Other current liabilities	5	6,991.17	6,992.21	5,775.80	5,776.84
<b>Total</b>			<b>7,466.98</b>	<b>6,252.36</b>	
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Non-current investments	6	0.01		0.01	
Deferred tax assets (net)	7	-	0.01	0.05	0.06
<b>(2) Current assets</b>					
Inventories	8	7,380.76		6,176.58	
Cash and bank balances	9	3.47		2.97	
Short-term loans and advances	10	82.74	7,466.97	72.75	6,252.30
<b>Total</b>			<b>7,466.98</b>	<b>6,252.36</b>	
<b>Significant accounting policies</b>	1				

(Accompanying notes are an integral part of the financial statements)

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Sarang Wadhawan**

(Director)

**Deepak M. Shirke**

(Director)

Place : Mumbai

Date : May 27, 2016

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

		(₹ in Lacs)	
Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Other Income	11	-	-
<b>Total Revenue</b>		<b>-</b>	<b>-</b>
<b>Expenses:</b>			
Cost of materials consumed	12	1,204.18	698.45
Changes in inventories of work-in-progress	13	(1,204.18)	(1,014.09)
Finance costs	14	-	315.64
Other expenses	15	0.70	0.71
<b>Total Expenses</b>		<b>0.70</b>	<b>0.71</b>
(Loss) before tax		<b>(0.70)</b>	<b>(0.71)</b>
Tax expense:			
Current tax		-	-
Deferred tax		0.05	-
		<b>0.05</b>	<b>-</b>
<b>(Loss) for the year</b>		<b>(0.75)</b>	<b>(0.71)</b>
Earnings per equity share of ₹ 10/-			
Basic	21	(0.04)	(1.17)
Diluted		(0.04)	(1.17)
<b>Significant accounting policies</b>			
(Accompanying notes are an integral part of the financial statements)			
	1		

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Sarang Wadhawan**

(Director)

**Deepak M. Shirke**

(Director)

Place : Mumbai

Date : May 27, 2016

# CASH FLOW STATEMENT FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

Particulars	(₹ in Lacs)	
	March 31, 2016	March 31, 2015
<b>A Cash flow from operating activities</b>		
Net profit before tax	(0.70)	(0.71)
Adjustments for :		
Investment Income	-	-
Operating profit before working capital changes	(0.70)	(0.71)
Movements in working capital :		
Decrease / (Increase) in inventory	(1,204.18)	(1,014.09)
Decrease / (Increase) in other receivables	(9.99)	(39.90)
(Decrease) / Increase in trade and other current liabilities	1,215.37	656.61
Net movement in working capital	1.20	(397.38)
Cash generated from operations	0.50	(398.09)
Less : Direct taxes paid (net of refunds)	-	-
Net cash from operating activities	0.50	(398.09)
<b>B Cash flows from investing activities</b>		
Investment income	-	-
Net cash from investing activities	-	-
<b>C Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	476.00
Share issue expenses written off	-	(3.94)
Repayment of borrowings	-	(72.58)
Net cash used in financing activities	-	399.48
Net increase in cash and cash equivalents (A+B+C)	0.50	1.39
Cash and cash equivalents at the beginning of the year	2.97	1.58
Cash and cash equivalents at the end of the year	<u>3.47</u>	<u>2.97</u>
<b>Components of cash and cash equivalents as at</b>	<b>31-Mar-2016</b>	<b>31-Mar-2015</b>
Cash on hand	2.96	2.97
With banks - on current account	0.51	-
	<u>3.47</u>	<u>2.97</u>

## Notes :

- 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- 2) Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Sarang Wadhawan**

(Director)

**Deepak M. Shirke**

(Director)

Place : Mumbai

Date : May 27, 2016

# NOTES ON THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES:

### A Basis of preparation:

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### B Use of estimates:

The preparation of financial statement require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### C Investments:

Investments that are readily realisable and are intended to be held for not more than a year from the date, on which such investments are made, are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost. Provision for diminution in value of long term investment is made to recognise a decline other than temporary as specified in Accounting Standard (AS 13) on "Accounting for Investments".

### D Inventories:

Work-in-progress : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses and borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyancing and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### E Revenue recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale:

Unit in real estate: -

Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

Dividends: -

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

### F Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

### G Taxes on income:

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be

available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **H Earnings per share:**

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **I Impairment:**

- i. The carrying amount of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amount, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- ii. After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- iii. A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined has no impairment loss been recognised.

#### **J Segment Reporting Policies:**

The main business of the Company is real estate development and construction of residential and commercial properties, and other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting".

#### **K Provisions, contingent liabilities and contingent assets:**

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

#### **L Application of Securities Premium Account:**

Share issue expenses are charged, first against available balance in Securities Premium Account.

(₹ in Lacs)

Particulars	As at			
	March 31, 2016	March 31, 2015		
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
30,00,000 (Previous year 30,00,000) Equity shares of ₹10/- each	<b>300.00</b>	<b>300.00</b>		
<b>Issued, Subscribed and Paid Up</b>				
19,54,000 (Previous year 19,54,000) Equity shares of ₹10/- each fully paid up	195.40	195.40		
<b>Total</b>	<b>195.40</b>	<b>195.40</b>		
<b>Reconciliation of the number of shares outstanding :</b>				
<b>Particulars</b>	<b>Number</b>	<b>Number</b>		
Shares outstanding at the beginning of the year	19,54,000	50,000		
Shares Issued during the year	-	19,04,000		
Shares bought back during the year	-	-		
<b>Shares outstanding at the end of the year</b>	<b>19,54,000</b>	<b>19,54,000</b>		
<b>Terms / rights attached to shares :</b>				
The Company has only one class of shares i.e. equity shares of ₹ 10/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.				
<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>				
<b>Particulars</b>	<b>As at</b>		<b>As at</b>	
	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>No.</b>	<b>% held</b>	<b>No.</b>	<b>% held</b>
Housing Development and Infrastructure Limited - holding Company	19,54,000	100%	19,54,000	100%
<b>3 RESERVE AND SURPLUS</b>				
<b>Securities Premium Account</b>				
Opening Balance	281.66		-	
Add : Securities premium credited on Share issue	-		285.60	
Less : Share issue expenses written off	-		3.94	
<b>Closing Balance</b>	<b>281.66</b>		<b>281.66</b>	
<b>Surplus in the Statement of Profit and Loss</b>				
Opening Balance	(1.54)		(0.83)	
Less : (Net Loss) for the current year	(0.75)		(0.71)	
<b>Closing Balance</b>	<b>(2.29)</b>		<b>(1.54)</b>	
<b>Total</b>	<b>279.37</b>		<b>280.12</b>	

(₹ in Lacs)		
Particulars	As at March 31, 2016	As at March 31, 2015
<b>4 TRADE PAYABLES</b>		
Trade Payables	1.04	1.04
<b>Total</b>	<b>1.04</b>	<b>1.04</b>
<b>Micro, Small and Medium Enterprises :</b>		
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		
<b>5 OTHER CURRENT LIABILITIES</b>		
Advances from customers *	311.69	297.49
Other payables	6,679.48	5,478.31
<b>Total</b>	<b>6,991.17</b>	<b>5,775.80</b>
* includes ₹ 194.85 lacs (previous year ₹ 194.85 lacs) received from one of the Director of the Company.		
<b>6 NON CURRENT INVESTMENTS</b>		
<b>Non trade investments</b>		
<b>Unquoted shares (at cost) (long term)</b>		
Punjab and Maharashtra Co - Operative Bank Limited	0.01	0.01
40 (Previous year 40) Equity shares of ₹25/- each fully paid		
<b>Total</b>	<b>0.01</b>	<b>0.01</b>
In the opinion of the management, the value of above investments is not less than as stated, if realised in the ordinary course of business.		
<b>7 DEFERRED TAX ASSETS (NET)</b>		
<b>Arising on account of timing differences in Assets</b>		
Preliminary expenses written off	-	0.05
<b>Total</b>	<b>-</b>	<b>0.05</b>
<b>8 INVENTORIES</b>		
Work -in-progress (lower of cost or net realisable value)	7,380.76	6,176.58
<b>Total</b>	<b>7,380.76</b>	<b>6,176.58</b>
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.		
<b>9 CASH AND BANK BALANCES</b>		
Cash and Cash equivalents		
Cash on hand	2.96	2.97
Balance with banks - In current accounts	0.51	-
<b>Total</b>	<b>3.47</b>	<b>2.97</b>

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>10 SHORT TERM LOANS AND ADVANCES</b>		
Advances for Land purchase /tenancy / claims / development rights	14.24	23.25
Security Deposits	68.50	49.50
<b>Total</b>	<b>82.74</b>	<b>72.75</b>
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>11 OTHER INCOME</b>		
Dividend received (From Co-operative Bank)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>12 COST OF MATERIAL CONSUMED</b>		
Tenancy / claims / FSI / development rights	554.59	408.06
Construction materials and other expenses	649.59	290.39
<b>Total</b>	<b>1,204.18</b>	<b>698.45</b>
<b>13 CHANGES IN WORK - IN PROGRESS</b>		
Opening work-in-progress	6,176.58	5,162.49
Less: Closing work-in-progress	7,380.76	6,176.58
<b>Total</b>	<b>(1,204.18)</b>	<b>(1,014.09)</b>
<b>14 FINANCE COST</b>		
Project specific interest expenses	-	315.64
<b>Total</b>	<b>-</b>	<b>315.64</b>
<b>15 OTHER EXPENSES</b>		
Sundry expenses	-	0.02
Printing and stationery	-	0.01
Professional fees	0.08	0.07
Profession tax	0.03	0.22
Bank Charges	0.18	0.06
Remuneration to auditors		
Audit fees	0.29	0.28
Filing fees paid to the Registrar of Companies	0.12	0.05
<b>Total</b>	<b>0.70</b>	<b>0.71</b>

		(₹ in Lacs)	
Particulars		Year ended March 31, 2016	Year ended March 31, 2015
<b>16</b> Contingent liabilities not provided for:		Nil	Nil
<b>17</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		Nil	Nil
<b>18</b> Earnings in foreign exchange		Nil	Nil
<b>19</b> Value of imports on C.I.F. basis		Nil	Nil
<b>20</b> Expenditure in foreign currency		Nil	Nil
<b>21</b> Earnings per equity share:			
a. (Loss) attributable to equity shareholders			
(Loss) for the year	₹	(0.75)	(0.71)
	₹	(0.75)	(0.71)
b. Weighted average number equity shares of ₹ 10/- each fully paid	Nos.	19,54,000	60,433
c. EPS			
- Basic	₹	(0.04)	(1.17)
- Diluted	₹	(0.04)	(1.17)

**22 Related party disclosure**

List of related parties with whom transactions have taken place during the current accounting year and relationship:

- Housing Development and Infrastructure Limited - holding Company
- Key management personnel  
Shri Virendra Vora - Director
- Enterprise significantly influenced by key management personnel  
Not applicable
- Transaction with Related Party

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates	Key Management Personnel	Total	Holding Company	Associates	Key Management Personnel	Total
Loans/advances repaid	-	-	-	-	72.58	-	-	72.58
Advance received for Sale of Shops	-	-	-	-	-	-	1.50	1.50
Outstanding as at year end- Due to	-	-	194.85	194.85	-	-	194.85	194.85

Disclosure in respect of material transactions with related parties during the year	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances repaid</b>		
Housing Development and Infrastructure Limited	-	72.58
<b>Advance received for Sale of Shops</b>		
Shri Virendra Vora	-	1.50
<b>Outstanding as at year end- Due to</b>		
Shri Virendra Vora	194.85	194.85

**23 Nature of operations**

The Company is engaged in the business of real estate development.

**24 Previous year figures have been reclassified to conform to this year's classification.**

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants,

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

Place : Mumbai

Date : May 27, 2016

**Sarang Wadhawan**

(Director)

**Deepak M. Shirke**

(Director)

## NOTICE

**NOTICE** is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of **GURUASHISH CONSTRUCTION PRIVATE LIMITED** will be held on Thursday, September 15, 2016, at 11:00 a.m. at 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rakesh Kumar Wadhawan (DIN: 00028573), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and upon recommendation of the Audit Committee, M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Seventeenth AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax, as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **Guruashish Construction Private Limited**

**Rakesh Kumar Wadhawan**  
**Director**  
**DIN: 00028573**

Place: Mumbai

Date : May 27, 2016

**NOTES**

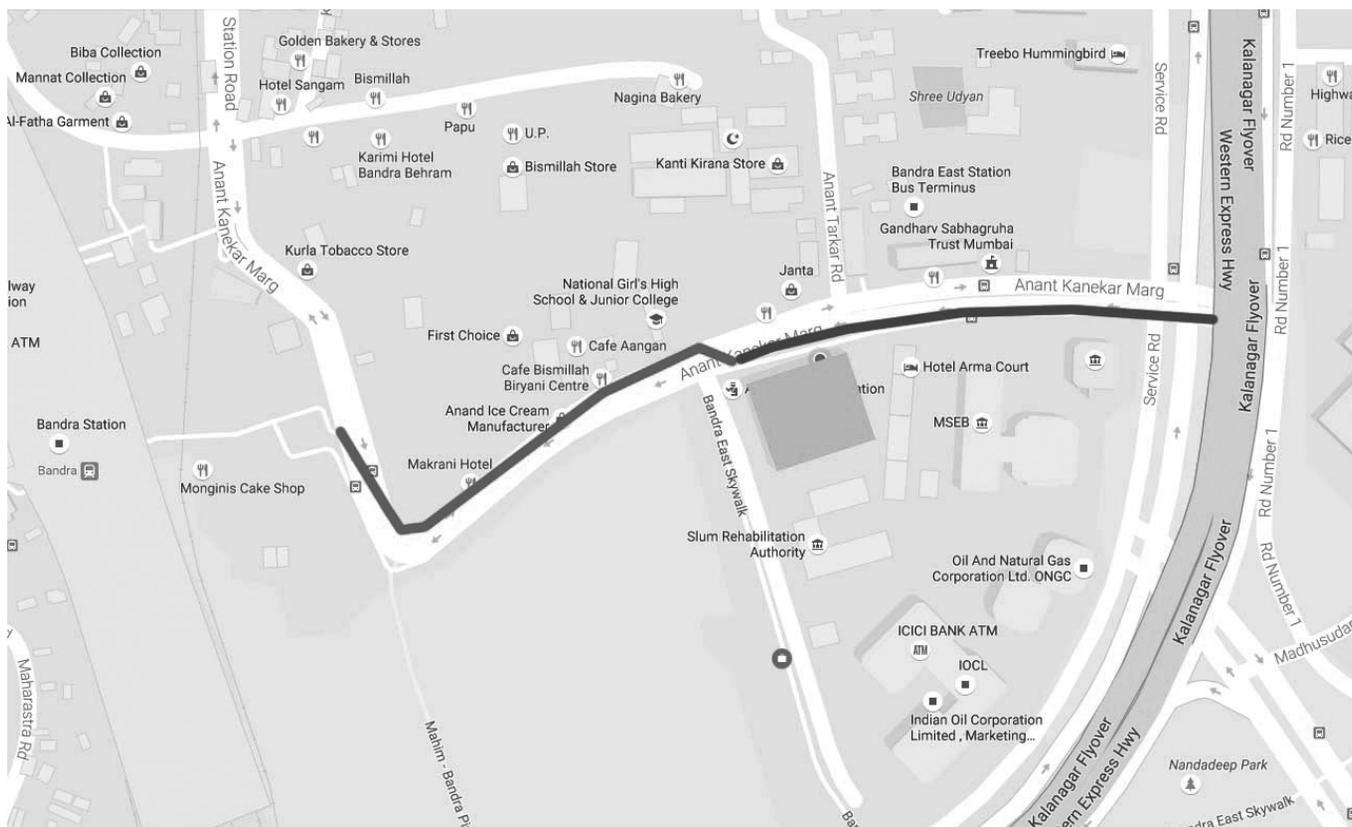
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.

A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 (“the Act”), are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. A Route map showing directions to reach the venue of the 16<sup>th</sup> AGM is given at the end of the this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

### BACKGROUND AND OPERATIONS

Your Company is a wholly owned subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate development.

#### Project:

Your Company has launched "The Meadows" Project located at Goregaon (West), Mumbai. The project is admeasuring approximately 1,75,315 sq. mtrs. construction area. The project is proposed to be well equipped with all the amenities to facilitate the needs of the residents.

### FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	₹ In Lacs)	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	12.25	319.35
Profit before finance cost, depreciation, amortisation and taxation	2,325.88	4,405.57
*Finance Cost	2,319.39	4,404.45
Depreciation and Amortization	0.43	0.54
<b>Operational profit before tax</b>	<b>6.06</b>	<b>0.58</b>
Less: Tax Expenses	(0.09)	(0.02)
Profit for the year	6.15	0.60
Balance brought forward	8.13	8.17
Add: Other adjustments	-	0.64
Profit available for appropriation	14.28	8.13
<b>Closing Balance</b>	<b>14.28</b>	<b>8.13</b>
<b>Net Worth</b>	<b>57,553.78</b>	<b>57,547.63</b>

\*Forms part of the work-in-progress

### STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

Your Company has earned ₹ 12.25 lacs revenue during the year as against ₹ 319.35 lacs in the previous year and the Company has made Profit of ₹ 6.15 lacs during the year as against profit of ₹ 0.60 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

### DIVIDEND

To conserve the resources, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

### SHARE CAPITAL

The paid-up equity share capital of the Company on March 31, 2016, was ₹ 1,700 lacs. During the F.Y., there has been no change in the issued, subscribed and paid up share capital of the Company.

### RESERVES

The Board of Directors ("the Board") have not recommended transfer of any amount of profit to reserves during the F.Y. review. Hence, the entire amount of profit for the F.Y. has been carried forward to the surplus in the Statement of Profit and Loss.

### FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

### PARTICULARS OF EMPLOYEES

Your Directors place on record their appreciation for the contribution made by the employees of the Company. Relations between employees and the Management continued to be cordial during the year.

### REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to provide and promote a safe and healthy work environment for all its employees.

Your Company has adopted a 'Prevention of Sexual Harassment' ("**POSH**") policy that is in line with the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules framed thereunder for prevention and redressal of complaints pertaining to sexual harassment at workplace and a structured reporting and redressal mechanism is in place.

During F.Y. 2015-16, your Company has not received any complaint on sexual harassment.

#### **DIRECTORS**

In accordance with the provisions of Section 152 of the Act, Mr. Rakesh Kumar Wadhawan is liable to retire by rotation at the ensuing Annual General Meeting ("**AGM**") of the Company and being eligible offers himself for re-appointment.

In accordance with provisions of Section 203 of the Act, the Board of Directors at its Meeting held on January 7, 2016, had appointed Mr. Rinkesh R. Gala as a Company Secretary, Key Managerial Personnel ("**KMP**") of the Company.

Your Company received declaration from all the Independent Directors confirming that they meet the criteria of independence as prescribed by Section 149(6) of the Act.

During the F.Y., there was no change in the constitution of the Board of Directors of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met eleven (11) times viz. on April 10, 2015, May 14, 2015, June 10, 2015, June 20, 2015, June 23, 2015, August 8, 2015, September 2, 2015, October 6, 2015, November 7, 2015, January 7, 2016 and February 13, 2016.

#### **Attendance of the Directors:**

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Mr. Rakesh Kumar Wadhawan	11	11
2	Mr. Sarang Wadhawan	11	11
3	Mrs. Sandhya Baliga	11	4
4	Mr. Hazari Lal	11	4
5	*Mr. Satyajeet Hire	11	9

\* Mr. Satyajeet Hire was appointed as a Director w.e.f. June 10, 2015.

#### **COMMITTEES OF THE BOARD**

Your Company has following committees of the Board, which are in place in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee ("**CSR Committee**")

#### **AUDIT COMMITTEE:**

The Audit Committee comprises of the following Directors:

- Mrs. Sandhya Baliga - Chairperson
- Mr. Sarang Wadhawan - Member
- Mr. Hazari Lal - Member

During the F.Y., the Audit Committee met four (4) times viz. on May 14, 2015, August 8, 2015, October 6, 2015 and February 13, 2016.

All the recommendations made by the Audit Committee were accepted by the Board.

**Attendance of the Members of Audit Committee:**

Sr. No.	Name of Member	Number of Audit Committee Meetings	
		Held	Attended
1	Mrs. Sandhya Baliga	4	4
2	Mr. Hazari Lal	4	4
3	Mr. Sarang Wadhawan	4	4

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of the following Directors:

- Mrs. Sandhya Baliga - Chairperson
- Mr. Sarang Wadhawan - Member
- Mr. Hazari Lal - Member

During the F.Y., the Nomination and Remuneration Committee passed a Circular Resolution dated June 8, 2015, which was assented by all the Members of the Committee. Further, the Nomination and Remuneration Committee met once (1) viz. January 4, 2016.

**Attendance of the Members of Nomination and Remuneration Committee:**

Sr. No.	Name of Member	Number of Nomination and Remuneration Committee Meetings	
		Held	Attended
1	Mrs. Sandhya Baliga	1	1
2	Mr. Hazari Lal	1	1
3	Mr. Sarang Wadhawan	1	1

**STATUTORY AUDITORS**

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Statutory Auditors of your Company, who retire at the ensuing AGM are eligible for appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

**EXPLANATION ON AUDITORS' REPORT**

As regards the observation by the Auditor in the Auditor's Report regarding delay in payment of Statutory dues and default in repayment of dues to Bank, the Company will take remedial measures to ensure non-occurrence of such event in future.

There are no qualifications, reservations, adverse remarks or disclaimers made by Statutory Auditors in their Report dated May 27, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

**INTERNAL FINANCIAL CONTROL**

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Pursuant to Section 186 of the Act, particulars of the loans given, investment made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security is proposed to be utilised by such recipient are provided under respective notes in Financial Statements.

**RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties during the F.Y. were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act, are not attracted and hence the disclosure in Form AOC-2 is not required.

Suitable disclosures as required under AS-18 have been made in Note 29 of the Notes to the financial statements.

**RISK MANAGEMENT**

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board of Directors has in place a Risk Management Policy, to manage risk through a detailed Policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

### VIGIL MECHANISM POLICY

Your Company has a Vigil Mechanism for their Directors and employees to report their genuine concerns or grievances and also a formal Whistle Blower Policy to report genuine concerns or grievance is in place.

Your Company assures cognizance of complaints made and suggestions given by the employees. Even anonymous complaints will be looked into and whenever necessary, suitable corrective steps will be taken.

### NOMINATION AND REMUNERATION POLICY

The Company has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, KMP and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors. The detailed policy is annexed as **Annexure 'B'**.

### CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Your Company has in place a CSR Committee, which is in compliance to the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, which comprises of the following Directors:

1. Mr. Sarang Wadhawan - Chairman
2. Mr. Rakesh Kumar Wadhawan - Member
3. Mrs. Sandhya Baliga - Member

The CSR Committee met once (1) viz. June 10, 2015.

Your Company has initiated the process to implement its Corporate Social Responsibility ("CSR") programme as per the objective of CSR Policy. The average Net Profit of the Company for last three F.Y. is ₹ 0.85 lacs and accordingly, the Company requires to spend ₹ 0.02 lacs on CSR activities.

Since the amount required to spend on CSR activities is very negligible and the Board decided to accumulate the amount for up-coming years through which the Company can carry out the CSR activities efficiently, with the significant amount.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the F.Y.

During the F.Y., the Company has neither earned nor used any foreign exchange.

### REGULATORY ACTION

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

### INFORMATION OF MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 27, 2016, being the date of this report.

### APPRECIATION

Your Directors express their sincere thanks to the Employees, Business Associates, Banks, Financial Institutions and Government Authorities for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 27, 2016

**Rakesh Kumar Wadhawan**  
**Director**  
**DIN: 00028573**

**Sarang Wadhawan**  
**Director**  
**DIN: 00028608**

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U45200MH2000PTC126895
2. Registration Date	June 1, 2000
3. Name of the Company	Guruashish Construction Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	Ground Floor, Siddharth Nagar No.1, Opp. Siddharth Nagar Post Office, Goregaon (West), Mumbai – 400 104 Tel: +91 22 6788 9000 Fax: +91 22 6788 9090 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	100.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	17,00,000	17,00,000	100.00	-	17,00,000	17,00,000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>17,00,000</b>	<b>17,00,000</b>	<b>100.00</b>	-	<b>17,00,000</b>	<b>17,00,000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>17,00,000</b>	<b>17,00,000</b>	<b>100.00</b>	-	<b>17,00,000</b>	<b>17,00,000</b>	<b>100.00</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	17,00,000	17,00,000	100.00	-	17,00,000	17,00,000	100.00	-

## (ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	1700000	100.00	-	1700000	100.00	-	-
	<b>Total</b>	<b>1700000</b>	<b>100.00</b>	<b>-</b>	<b>1700000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in Promoters Shareholding during the year specifying the reason for increase/ (decrease):	-	-	-	-
	At the end of the year	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Mr. Rakesh Kumar Wadhawan	-	-	-	-
2	Mr. Sarang Wadhawan	-	-	-	-
3	Mrs. Sandhya Baliga	-	-	-	-
4	Mr. Hazari Lal	-	-	-	-
	<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>	-	-	-	-
	<b>At the end of the year: Directors and KMP:</b>				
1	Mr. Rakesh Kumar Wadhawan	-	-	-	-
2	Mr. Sarang Wadhawan	-	-	-	-
3	Mrs. Sandhya Baliga	-	-	-	-
4	Mr. Hazari Lal	-	-	-	-
5	*Mr. Satyajeet Hire	-	-	-	-
6	**Mr. Rinkesh R. Gala	-	-	-	-

\* Mr. Satyajeet Hire was appointed as a Director w.e.f. June 10, 2015.

\*\* Mr. Rinkesh R. Gala was appointed as a Company Secretary of the Company w.e.f. January 7, 2016.

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:**

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in Lacs)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19,578.45	-	-	19,578.45
ii) Interest due but not paid	3,104.85	-	-	3,104.85
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22,683.59</b>	-	-	<b>22,683.59</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	2,319.39	-	-	2,319.39
• Reduction	5,507.39	-	-	5,507.39
<b>Net Change</b>	<b>(3,188.00)</b>	-	-	<b>(3,188.00)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,004.40	-	-	14,004.40
ii) Interest due but not paid	5,491.19	-	-	5,491.19
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>19,495.59</b>	-	-	<b>19,495.59</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL (A)****B. Remuneration to other Directors:**

				(₹ in Lacs)	
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mrs. Sandhya Baliga	Mr. Hazari Lal		
1	Independent Directors				
	Fee for attending Board / Committee Meetings	0.40	0.40		0.80
	Commission	-	-		-
	Others, please specify	-	-		-
	<b>Total (1)</b>	<b>0.40</b>	<b>0.40</b>		<b>0.80</b>
2	Other Non-Executive Directors	Mr. Rakesh Kumar Wadhawan	Mr. Sarang Wadhawan	Mr. Satyajeet Hire	-
	Fee for attending Board / Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B) = (1+2)</b>				<b>0.80</b>
	Ceiling as per the Act	₹ 0.21 lacs (being 3% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)			
	<b>Total Managerial Remuneration = (A+B)</b>				<b>0.80</b>
	Overall Ceiling as per the Act	₹ 0.75 lacs (being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)			

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:**

				(₹ in Lacs)
Sr. No.	Particulars of Remuneration	Mr. Rinkesh R. Gala (Company Secretary)	Total Amount	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.16		1.16
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-		-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	- as % of profit	-		-
	Others, specify	-		-
5	Others, please specify	-		-
	<b>Total</b>	<b>1.16</b>		<b>1.16</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 27, 2016**Rakesh Kumar Wadhawan**  
Director  
DIN: 00028573**Sarang Wadhawan**  
Director  
DIN: 00028608

# ANNEXURE 'B'

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company.

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated and approved by the Board of Directors at its Meeting held on March 14, 2015.

### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- that the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- to carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- to lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz. Executive, Non-Executive and Independent Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being and such other Rules / Regulations, as may be notified by MCA from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### DEFINITIONS

In this policy unless the context otherwise requires:

**"Act"** shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

**"Board of Directors"** or **"Board"** in relation to the Company means the collective body of the Directors of the Company.

**"Company"** means Guruashish Construction Private Limited.

**"Directors"** means Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** (KMP) in relation to a Company means,

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed under the Act.

**"Senior Management Personnel"** mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall have minimum three Directors as Members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of the following Directors:

- |    |                     |  |             |
|----|---------------------|--|-------------|
| 1) | Mrs. Sandhya Baliga | Non-Executive Independent Director     | Chairperson |
| 2) | Mr. Hazari Lal      | Non-Executive Independent Director     | Member      |
| 3) | Mr. Sarang Wadhawan | Non-Executive Non-Independent Director | Member      |

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

### ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee inter-alia will be the following:

- identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- devising a policy on Board diversity;
- formulation of criteria for evaluation of Independent Directors and the Board;
- ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors and
- decide / approve details of fixed components and performance linked incentives along with criteria.

### APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

#### (i) Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

#### (ii) Term / Tenure:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly and
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

#### (iii) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### (iv) Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

#### (v) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board Meeting minutes.

### i. Remuneration to Whole-time / Executive / Managing Director

#### Fixed pay:

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break- up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

#### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### Provisions for excess remuneration:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### ii. Remuneration / Commission to Non-Executive / Independent Director

#### Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 10,000/- per Meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

#### Commission:

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 3% of the profits of the Company computed as per the applicable provisions of the Act, if there are no Managing or Whole-Time Director of the Company.

In case, where the Company has appointed Managing or Whole-Time Director then Commission shall be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## REVIEW

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

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# INDEPENDENT AUDITORS' REPORT

To the Members of **GURUASHISH CONSTRUCTION PRIVATE LIMITED,**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **GURUASHISH CONSTRUCTION PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 23 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
Date : May 27, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on March 31, 2016 of GURUASHISH CONSTRUCTION PRIVATE LIMITED:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All the Fixed Assets have been physically verified by the management in a phased manner, over a period of one year, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, limited liability Partnerships or other parties covered in the register maintained under Section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding as on March 31, 2016 for a period of more than six months from the date they become payable, except below mentioned:

Nature of Dues	₹ In Lakhs
Tax Deducted at Source (Including Interest)	160.75
Service Tax	8.45
Value Added Tax	11.55

- (b) According to the information and explanations given to us, there are no material dues of service tax, value added tax, customs duty and cess which have not been deposited with the appropriate authorities on account of any dispute, except following Income Tax demand:
- | Financial Year | Income Tax Demand<br>₹ In Lakhs |
|----------------|---------------------------------|
| 2011-12        | 4220.25                         |
- (viii) As per the information and explanations furnished to us and our verification of records of the Company, the Company has delayed in repayment of dues to Financial Institutions and Banks. An amount of ₹ 5,423.92 Lakhs towards interest on Term Loans from Financial Institutions and ₹ 67.27 Lakhs toward interest from Bank.
- (ix) The Company has not raised money through initial public offers or further public offers or debt instruments or term loans during the financial year.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company or its employees or officers has been noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause (xi) of the paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Act and hence the provisions under clause (xii) of the paragraph 3 of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013 and where applicable the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 451A of the Reserve Bank of India Act, 1934.

For **Thar & Co.**,  
 Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**  
 Partner  
 Membership No.: 032917

Place : Mumbai  
 Date : May 27, 2016

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GURUASHISH CONSTRUCTION PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Thar & Co.**,  
 Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**  
 Partner  
 Membership No.: 032917

Place : Mumbai  
 Date : May 27, 2016

# BALANCE SHEET AS AT

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)			
Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	1,700.00		1,700.00	
Reserves and Surplus	3	55,853.78	57,553.78	55,847.63	57,547.63
<b>(2) Current Liabilities</b>					
Short-term borrowings	4	14,004.41		19,578.74	
Trade payables	5	2,804.02		3,285.47	
Other current liabilities	6	30,834.28		29,885.22	
Short-term provisions	7	-	47,642.71	-	52,749.43
<b>Total</b>			<b>1,05,196.49</b>		<b>1,10,297.06</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Fixed assets					
Tangible assets	8	0.62		1.05	
Non-current investments	9	-		25.00	
Deferred tax assets (net)	10	0.10		0.02	
Long term loans and advances	11	1,016.36	1,017.08	65.72	91.79
<b>(2) Current assets</b>					
Inventories	12	67,403.16		58,816.38	
Trade receivables	13	9,762.68		11,058.20	
Cash and bank balances	14	446.70		26.16	
Short-term loans and advances	15	26,566.87	1,04,179.41	40,304.53	1,10,205.27
<b>Total</b>			<b>1,05,196.49</b>		<b>1,10,297.06</b>
<b>Significant Accounting Policies</b>	1				

(Accompanying notes are an integral part of the financial statements)

As per our Report of even date attached

For **THAR & CO.**Chartered Accountants,  
Firm Registration Number: 110958W**Jayesh R. Thar**

(Partner)

Membership No. 032917

Place : Mumbai

Date : May 27, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

**Rinkesh R. Gala**

(Company Secretary)

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

		(₹ in Lacs)	
Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Revenue from operations	16	6.41	319.35
Other income	17	5.84	-
<b>Total Revenue</b>		<b>12.25</b>	<b>319.35</b>
<b>Expenses:</b>			
Cost of material consumed	18	6,202.88	8,453.63
Changes in inventories of work-in-progress	19	(8,586.78)	(12,725.74)
Employee benefit expense	20	1.93	
Finance costs	21	2,319.39	4,404.45
Depreciation and amortisation expenses	8	0.43	0.54
Other expenses	22	68.34	185.89
<b>Total Expenses</b>		<b>6.19</b>	<b>318.77</b>
Profit before tax		<b>6.06</b>	<b>0.58</b>
Tax expense:			
Current tax		-	0.29
Deferred tax charge / (credit)		(0.09)	(0.31)
		<b>(0.09)</b>	<b>(0.02)</b>
<b>Profit for the year</b>		<b>6.15</b>	<b>0.60</b>
<b>Earning per equity share of ₹ 100/-</b>			
Basic	28	0.36	(0.00)
Diluted		0.36	(0.00)
<b>Significant Accounting Policies</b>	1		
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For **THAR & CO.**Chartered Accountants,  
Firm Registration Number: 110958W**Jayesh R. Thar**(Partner)  
Membership No. 032917

Place : Mumbai

Date : May 27, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

**Rinkesh R. Gala**

(Company Secretary)

# CASH FLOW STATEMENT FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
<b>A Cash flow from operating activities</b>				
Net profit before tax		6.06		0.58
Adjustments for :				
Depreciation and amortization expense	0.43		0.54	
Profit on sale of units of mutual fund	(5.84)		-	
Interest expenses	2,319.39	2,313.98	4,404.45	4,404.99
Operating profit before working capital changes		2,320.04		4,405.57
Movements in working capital :				
Decrease / (Increase) in inventory	(8,586.78)		(12,725.75)	
Decrease / (Increase) in trade receivable	1,295.52		895.50	
Decrease / (Increase) in other receivables	12,787.02		5,975.95	
(Decrease) / Increase in trade and other current liabilities	467.62		10,743.81	
Net movement in working capital		5,963.38		4,889.51
Cash generated from operations		8,283.42		9,295.08
Less : Direct taxes paid (net of refunds)		-		0.29
<b>Net cash from operating activities</b>		<b>8,283.42</b>		<b>9,294.79</b>
<b>B Cash flows from investing activities</b>				
Sale of units of mutual fund		30.84		-
<b>Net cash from investing activities</b>		<b>30.84</b>		<b>-</b>
<b>C Cash flows from financing activities</b>				
Proceeds from issue of shares	-		5,400.00	
Repayment of borrowings	(5,574.33)		(12,148.45)	
Interest expenses	(2,319.39)	(7,893.72)	(4,404.45)	(11,152.90)
<b>Net cash used in financing activities</b>		<b>(7,893.72)</b>		<b>(11,152.90)</b>
Net increase in cash and cash equivalents (A + B + C)		420.54		(1,858.11)
Cash and cash equivalents at the beginning of the year		26.16		1,884.27
Cash and cash equivalents at the end of the year		<b>446.70</b>		<b>26.16</b>
<b>Components of cash and cash equivalents as at</b>		<b>31-Mar-2016</b>		<b>31-Mar-2015</b>
Cash on hand		434.12		8.23
With banks - on current account		12.58		17.93
<b>Total</b>		<b>446.70</b>		<b>26.16</b>

Notes :

- 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- 2) Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants,

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

Place : Mumbai

Date : May 27, 2016

**Rinkesh R. Gala**

(Company Secretary)

# NOTES ON THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES:

### A a) Basis of Preparation:

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities as on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### B Fixed assets:

Fixed assets are stated at cost of acquisition or construction net of recoverable taxes, trade discounts, rebates, depreciation accumulated and accumulated impairment losses. All costs relating to the acquisition and installation of fixed assets are capitalised and includes borrowing costs relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

### C Method of Depreciation and amortisation

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act, 2013 with the exception of the following

Based on an independent technical evaluation, the useful life of Mobile has been estimated as 3 years, which is different from that prescribed in Schedule II of the Act.

### D Investments:

Investments that are readily realisable and are intended to be held for not more than a year from the date, on which such investments are made, are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost. Provision for diminution in value of long term investment is made to recognise a decline other than temporary as specified in Accounting Standard (AS 13) on "Accounting for Investments".

### E Inventories:

Inventories are valued as follows:

Finished goods : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing costs and other related overheads as the case may be.

Work-in-progress : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses, borrowing costs and other related overheads. Cost incurred / items purchased specifically for projects are taken as consumed as and when incurred / received.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### F Revenue Recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited

to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Sale**

- a) Unit in real estate  
Revenue is recognised when the significant risks and rewards of ownership of the units in real estates have passed to the buyer.
- b) Interest  
Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
- c) Profit on sale of investment: -  
It is recognised on its liquidation / redemption.

#### **G Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

#### **H Income taxes:**

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year end and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **I Segment reporting policies:**

The main business of the Company is real estate development and construction of residential and commercial properties, infrastructure facilities in India and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting".

#### **J Earnings per share:**

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **K Impairment:**

- (i) The carrying amounts of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- (ii) After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- (iii) A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised.

#### **L Provisions, contingent liabilities and contingent assets:**

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
25,00,000 (Previous year 25,00,000) Equity shares of ₹100/- each	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Paid Up</b>		
17,00,000 (Previous year 17,00,000) Equity shares of ₹100/- each fully paid up	1,700.00	1,700.00
<b>Total</b>	<b>1,700.00</b>	<b>1,700.00</b>
<b>Reconciliation of the number of shares outstanding :</b>		
	<b>Number</b>	<b>Number</b>
Shares outstanding at the beginning of the year	17,00,000	11,00,000
Shares Issued during the year	-	6,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>17,00,000</b>	<b>17,00,000</b>
<b>Terms / rights attached to shares :</b>		
The Company has only one class of shares i.e. equity shares of ₹100/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholder.		
<b>Shares in the Company held by each shareholder holding more than 5 percent:</b>		
<b>Equity Shares</b>	<b>No.</b>	<b>%held</b>
Housing Development and Infrastructure Limited - Holding Company	17,00,000	100%
	<b>No.</b>	<b>%held</b>
	17,00,000	100%
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>3 RESERVE AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	4,839.50	39.50
Add : Securities premium credited on Share issue	-	4,800.00
<b>Closing Balance</b>	<b>4,839.50</b>	<b>4,839.50</b>
<b>General Reserve</b>		
Opening Balance	51,000.00	51,000.00
<b>Closing Balance</b>	<b>51,000.00</b>	<b>51,000.00</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	8.13	8.17
Add : Net Profit for the current year	6.15	0.60
Less: Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	-	0.64
<b>Closing Balance</b>	<b>14.28</b>	<b>8.13</b>
<b>Total</b>	<b>55,853.78</b>	<b>55,847.63</b>
<b>4 SHORT TERM BORROWINGS</b>		
<b>Secured Short Term Borrowings :</b>		
(a) Term Loan from Scheduled Banks (Ref. Note 4 a)	13,668.99	19,243.32
(b) Term loans from Financial Institutions (Ref. Note 4 b)	335.42	335.42
<b>Total</b>	<b>14,004.41</b>	<b>19,578.74</b>

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Term Loan from Union Bank of India</b>		
Secured by registered mortgage of immovable properties admeasuring 1,23,365 Sq.mtrs. situated at Village Chandansar and admeasuring 1,23,360 Sq.mtrs situated at village Doliv, Khardi, Koshimbi, Dahisar and Kasarali, Dist. Thane, comprising of various survey numbers, owned by Privilege Power And Infrastructure Private Limited. a subsidiary of the holding Company. Rate of interest 13.90% (previous year 14.50%) payable monthly. Repayable in 20 quarterly instalments of ₹10,00,000/- each.		
<b>b) Term Loan from IL &amp; FS</b>		
Secured by registered mortgage of Development rights of property admeasuring 24,400 Sq.mtrs located at Siddarth Nagar, Mumbai owned by the Company and first and exclusive registered mortgage of 51,880 Sq.mtrs of land located at Maljipada village, Taluka Vasai owned by Housing Development and Infrastructure Limited, Holding Company. Rate of interest of 20.00% p.a. (previous year 20.00 % p.a.) payable quarterly.		
<b>5 TRADE PAYABLES</b>		
Trade Payables	2,804.02	3,285.47
<b>Total</b>	<b>2,804.02</b>	<b>3,285.47</b>
<b>Micro, Small and Medium Enterprises</b>		
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		
<b>6 OTHER CURRENT LIABILITIES</b>		
Interest accrued and due	5,491.19	3,104.85
Advances from customers	24,980.33	26,070.04
Statutory Dues	206.63	478.42
Other payables	156.13	231.91
<b>Total</b>	<b>30,834.28</b>	<b>29,885.22</b>
<b>7 SHORT TERM PROVISIONS</b>		
<b>Other Provisions :</b>		
Provision for taxation	0.54	0.54
Less: Tax paid	0.54	0.54
<b>Total</b>	<b>-</b>	<b>-</b>

**8 FIXED ASSETS**

Description	COST			DEPRECIATION				WDV		
	As at 01-04- 2015	Additions during the year	Sale	As at 31-03- 2016	Up to 31-03- 2015	for the year	Adjustments	Up to 31-03- 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible Asset</b>										
Furniture and Fixtures	0.82	-	-	0.82	0.29	0.10	-	0.39	0.43	0.53
Office Equipment	1.11	-	-	1.11	0.59	0.33	-	0.92	0.19	0.52
Other assets										
Computers	1.31	-	-	1.31	1.31	-	-	1.31	-	-
<b>Total</b>	<b>3.24</b>	<b>-</b>	<b>-</b>	<b>3.24</b>	<b>2.19</b>	<b>0.43</b>	<b>-</b>	<b>2.62</b>	<b>0.62</b>	<b>1.05</b>
Previous year	3.24	-	-	3.24	1.02	0.54	0.63	2.19	1.05	2.22

		(₹ in Lacs)	
Particulars	As at March 31, 2016	As at March 31, 2015	
<b>9 NON CURRENT INVESTMENTS</b>			
<b>Non trade investments, Unquoted (at cost) (long term)</b>			
In Mutual Funds			
Nil (previous year 2,50,000) units of Union KBC Capital Protection Oriented Fund - Series 2 - Regular Growth Plan (NAV as on 31/03/2016 N.A.) (previous year ₹ 32,07,950/-)	-	25.00	
<b>Total</b>	<b>-</b>	<b>25.00</b>	
In the opinion of the management, the value of above investments was not less than as stated, if realised in the ordinary course of business.			
<b>10 DEFFERED TAX ASSETS (NET)</b>			
<b>Arising on account of timing differences</b>			
Assets			
Related to fixed assets	0.10	0.02	
<b>Total</b>	<b>0.10</b>	<b>0.02</b>	
<b>11 LONG TERM LOANS AND ADVANCES</b>			
<b>Unsecured, considered good</b>			
Income tax refund receivable	6.37	57.48	
Income Tax paid	1,009.99	8.24	
<b>Total</b>	<b>1,016.36</b>	<b>65.72</b>	
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.			
<b>12 INVENTORIES</b>			
Work -in-progress (lower of cost or net realisable value)	67,403.16	58,816.38	
<b>Total</b>	<b>67,403.16</b>	<b>58,816.38</b>	
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.			
<b>13 TRADE RECEIVABLES</b>			
<b>Debts outstanding for a period exceeding six months</b>			
Unsecured, considered good	9,762.68	11,058.20	
<b>Other debts</b>			
Unsecured, considered good	-	-	
<b>Total</b>	<b>9,762.68</b>	<b>11,058.20</b>	
In the opinion of the management, the value of above trade receivables is not less than as stated, if realised in the ordinary course of business.			
<b>14 CASH AND BANK BALANCES</b>			
Cash and Cash equivalents			
Cash on hand	434.12	8.23	
Balance with banks - In current accounts	12.58	17.93	
<b>Total</b>	<b>446.70</b>	<b>26.16</b>	

(₹ in Lacs)		
Particulars	As at March 31, 2016	As at March 31, 2015
<b>15 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Security Deposits	319.44	319.44
Advances for Goods and Services	26,120.57	39,876.81
Prepaid expenses	-	0.64
Cenvat credit entitlement	126.86	107.64
<b>Total</b>	<b>26,566.87</b>	<b>40,304.53</b>
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>16 REVENUE FROM OPERATIONS</b>		
Revenue from operations		
Sale of development rights / FSI/ Land/TDR/Material	-	314.50
Other Operating Revenue		
Flat cancellation charges	0.97	-
Interest on income tax refund	5.44	-
Interest from customers	-	4.85
<b>Total</b>	<b>6.41</b>	<b>319.35</b>
<b>17 OTHER INCOME</b>		
Profit on sale of units of mutual fund	5.84	-
<b>Total</b>	<b>5.84</b>	-
<b>18 COST OF MATERIAL CONSUMED</b>		
Construction Material and other expenses	6,202.88	8,453.63
<b>Total</b>	<b>6,202.88</b>	<b>8,453.63</b>
<b>19 CHANGES IN INVENTORIES</b>		
Opening stock of Work in progress	58,816.38	46,090.64
Less: Closing stock of work in progress	67,403.16	58,816.38
<b>Total</b>	<b>(8,586.78)</b>	<b>(12,725.74)</b>
<b>20 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	1.93	-
<b>Total</b>	<b>1.93</b>	-
<b>21 FINANCE COSTS</b>		
Interest expenses	2,319.39	4,404.40
Other borrowing cost	-	0.05
<b>Total</b>	<b>2,319.39</b>	<b>4,404.45</b>

		(₹ in Lacs)	
Particulars		Year ended March 31, 2016	Year ended March 31, 2015
<b>22 OTHER EXPENSES</b>			
Advertisement and sales promotion expenses		-	0.04
Bank charges		3.76	5.79
Communication expenses		2.37	3.09
Conveyance expenses		1.62	1.46
Directors remuneration and sitting fees		0.80	-
Filing fees paid to the Registrar of Companies		0.17	0.22
Insurance charges		0.40	2.39
Miscellaneous expenses		0.19	1.31
Printing and stationery		1.86	0.78
Professional fees		35.67	148.20
Remuneration to auditors			
Audit fees		0.50	0.50
Taxation matters		0.25	0.25
Repairs and maintenance to other assets		2.53	1.92
Security charges		18.22	19.94
<b>Total</b>		<b>68.34</b>	<b>185.89</b>
Project related expenses included in above		62.58	182.22
<b>23</b>	Contingent liabilities not provided for:		
	Income tax demand disputed by Company	42,202.25	Nil
<b>24</b>	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
<b>25</b>	Value of imports calculated on CIF basis	Nil	Nil
<b>26</b>	Earnings in foreign exchange	Nil	Nil
<b>27</b>	Expenditure in foreign currency	Nil	Nil
<b>28</b>	Earnings per equity share:		
(a)	Profit after tax as per Statement of Profit and Loss	₹ 6.15	0.60
	Less: Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	₹ -	0.64
	Net Profit attributable to Equity Shareholders	₹ 6.15	(0.04)
(b)	Weighted average number of equity shares used as denominator for calculating EPS	Nos. 17,00,000	11,03,288
(c)	Earning per share - Basic	₹ 0.36	(0.00)
(d)	Earning per share - Diluted	₹ 0.36	(0.00)
(e)	Nominal value per equity share is ₹ 100/-		

**29 Related party disclosure:**

List of related parties with whom transactions have taken place during the current accounting year and relationship:

- a Housing Development & Infrastructure Limited - holding Company
- b Key management personnel  
Mr. Rinkesh Gala Company Secretary
- c Enterprise significantly influenced by key management personnel  
Not applicable
- d Transaction with related party

(₹ in Lacs)

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates	Key Management Personnel	Total	Holding Company	Associates	Key Management Personnel	Total
Loans/advances repaid	-	-	-	-	5,352.34	-	-	5,352.34
Salary paid	-	-	1.88	1.88	-	-	-	-

Disclosure in respect of material transactions with related parties during the year	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances repaid</b>		
Housing Development and Infrastructure Limited	-	5,352.34
<b>Salary paid</b>		
Mr. Rinkesh Gala	1.88	-

**30 Nature of operations**

The Company is engaged in the business of real estate development.

**31 Previous year figures have been reclassified to conform to this year's classification.**

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants,

Firm Registration Number: 110958W

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

Place : Mumbai

Date : May 27, 2016

**Rinkesh R. Gala**

(Company Secretary)

## NOTICE

**NOTICE** is hereby given that the 5<sup>th</sup> Annual General Meeting of the Members of **HC INFRACITY PRIVATE LIMITED** will be held on Friday, September 16, 2016, 11:00 a.m. at Registered Office of the Company situated at A-20, Kailash Colony, New Delhi, Delhi – 110 048, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Gautam Mehra (DIN: 00543072), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and upon recommendation of the Audit Committee, M/s. BSSG & Co., Chartered Accountants (Firm Registration No. 009839N), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Sixth AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **HC Infracity Private Limited**

**Rakesh Kumar Wadhawan**

**Director**

**DIN: 00028573**

Place: Mumbai

Date: May 28, 2016

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.

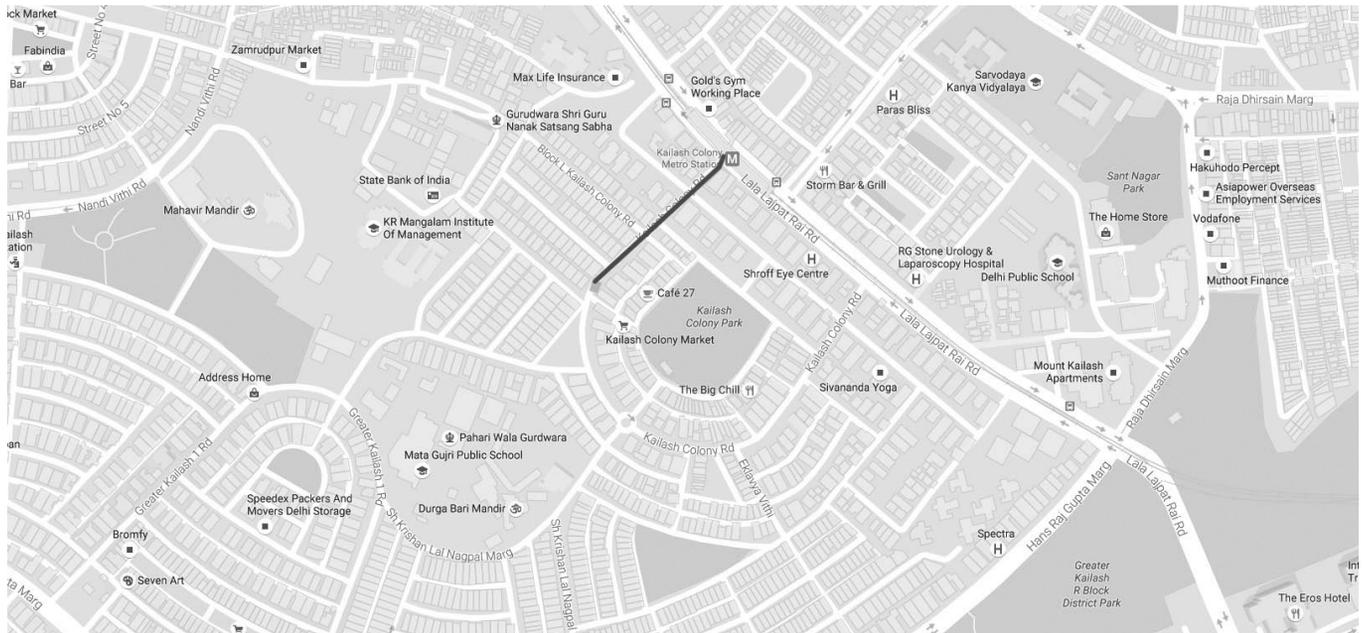
A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 (“the Act”), are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

3. A Route map showing directions to reach the venue of the 5<sup>th</sup> AGM is given at the end of the this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: A-20, Kailash Colony, New Delhi, Delhi – 110 048



# DIRECTORS' REPORT

## Dear Members,

Your Directors have pleasure in presenting the 5<sup>th</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

## BACKGROUND AND OPERATIONS

Your Company is a subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate activities and infrastructure development.

### Project:

Your Company has launched "Imperial Country" Project featuring 100 acres Integrated Township at Yamuna Expressway, New Delhi.

## FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	(₹ In Lacs)	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	-	<b>607.66</b>
Profit before finance cost, depreciation, amortisation and taxation	(3.37)	2.54
Finance Cost	-	-
Depreciation and Amortization	8.78	5.63
<b>Operational profit before tax</b>	<b>(12.15)</b>	<b>(3.09)</b>
Less: Tax Expenses	(1.44)	(0.30)
<b>Profit for the year</b>	<b>(10.71)</b>	<b>(2.79)</b>
Balance brought forward	41.35	44.14
Profit available for appropriation	30.64	41.35
<b>Closing Balance</b>	<b>30.64</b>	<b>41.35</b>
<b>Net Worth</b>	<b>1,030.64</b>	<b>1,041.35</b>

## STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

Your Company was unable to earn any revenue during the year as against revenue of ₹ 607.66 lacs in the previous year and the Company has incurred Loss of ₹ 10.71 lacs as against Loss of ₹ 2.79 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

## DIVIDEND

In view of losses for the year, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

## SHARE CAPITAL

The paid-up equity share capital of the Company as at March 31, 2016 was ₹ 1,000 lacs. During the F.Y., there was no change in the issued, subscribed and paid up share capital of the Company.

## RESERVES

In view of losses for the year, no amount has been transferred to reserves.

## FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

## EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the applicable Companies (Management and Administration) Rules, 2014 framed thereunder, is annexed as **Annexure "A"**.

## PARTICULARS OF EMPLOYEES

Your Directors place on record their appreciation for the contributions made by the employees of the Company at all levels. Relations between employees and the Management continued to be cordial during the year.

## REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to providing and promoting a safe and healthy work environment for all its employees.

Your Company has in place a 'Prevention of Sexual Harassment' ("**POSH**") policy that is in line with the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules framed thereunder for prevention and redressal of complaints pertaining to sexual harassment at workplace and a structured reporting and redressal mechanism is in place.

During F.Y. 2015-16, your Company has not received any complaint on sexual harassment.

**DIRECTORS**

In accordance with the provisions of Section 152 of the Act, Mr. Gautam Mehra is liable to retire by rotation at the ensuing Annual General Meeting ("**AGM**") of the Company and being eligible offers himself for re-appointment.

Your Company received declaration from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed by Section 149(6) of the Act.

During the F.Y., there was no change in the constitution of the Board of Directors ("**the Board**") of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2016 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**NUMBER OF MEETINGS OF THE BOARD**

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y. the Board met four (4) times viz. on May 14, 2015, August 8, 2015, November 6, 2015 and February 12, 2016.

**Attendance of the Directors:**

Sr. No.	Name of the Director	Number of Board Meetings	
		Held	Attended
1	Mr. Rakesh Kumar Wadhawan	4	4
2	Mr. Sarang Wadhawan	4	4
3	Mr. Pawan Mehra	4	1
4	Mrs. Romy Mehra	4	1
5	Mr. Gautam Mehra	4	1
6	Mrs. Sandhya Baliga	4	4
7	Mr. Hazari Lal	4	4

**COMMITTEES OF THE BOARD**

Your Company has following committees of the Board, which are in place in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee

**AUDIT COMMITTEE**

The Audit Committee comprises of following Directors:

- 1. Mr. Hazari Lal - Chairman
- 2. Mr. Sarang Wadhawan - Member
- 3. Mrs. Sandhya Baliga - Member

During the F.Y. the Audit Committee met four (4) times viz. on May 14, 2015, August 8, 2015, November 6, 2015 and February 12, 2016.

All the recommendations made by the Audit Committee were accepted by the Board.

#### Attendance of the Members of Audit Committee:

Sr. No.	Name of the Member	Number of Audit Committee Meetings	
		Held	Attended
1	Mr. Hazari Lal	4	4
2	Mr. Sarang Wadhawan	4	3
3	Mrs. Sandhya Baliga	4	4

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of following Directors:

- Mr. Hazari Lal - Chairman
- Mr. Sarang Wadhawan - Member
- Mrs. Sandhya Baliga - Member

#### STATUTORY AUDITORS

M/s. BSSG & Co., Chartered Accountants (Firm Registration No. 009839N), Statutory Auditors of your Company, who retire at the ensuing AGM are eligible for appointment.

The Company has received a letter from M/s. BSSG & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

#### EXPLANATION ON AUDITORS' REPORT

As regards the observation by the Auditor in the Auditor's Report regarding delay in payment of statutory dues, the Company will take remedial measures to ensure non-occurrence of such event in future.

There are no qualifications, reservations, adverse remarks or disclaimers made by Auditors in their Report dated May 28, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

#### INTERNAL FINANCIAL CONTROL

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Pursuant to Section 186 of the Act, particulars of the loans given, investments made, guarantees given and securities provided alongwith the purpose for which the guarantee or security is proposed to be utilised by such recipient are provided under respective notes in Financial Statements.

#### RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the F.Y. were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act, are not attracted and hence the disclosure in form AOC-2 is not required.

Suitable disclosures as required under AS-18 have been made in Note 23 of the Notes to the financial statements.

#### RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy and taking that into consideration your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board has in place a Risk Management Policy to manage risk through a detailed policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

#### NOMINATION AND REMUNERATION POLICY

The Company has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors.

The detailed policy is annexed as **Annexure 'B'**.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the F.Y.

During the F.Y., the Company has neither earned nor used any foreign exchange.

#### **REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

#### **INFORMATION OF MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 28, 2016, being the date of this report.

#### **APPRECIATION**

Your Directors express their sincere thanks to the Business Associates, Government Authorities and Employees for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 28, 2016

**Rakesh Kumar Wadhawan**  
**Director**  
**DIN: 00028573**

**Sarang Wadhawan**  
**Director**  
**DIN: 00028608**

# ANNEXURE 'A'

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U70101DL2011PTC228147
2. Registration Date	November 30, 2011
3. Name of the Company	HC Infracity Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	A-20, Kailash Colony, New Delhi - 110048 Tel: +91 22 6788 9000 Fax: +91 22 6788 9090 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of Company	Address of Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	75.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) **Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1,00,00,000	1,00,00,000	100.00	-	1,00,00,000	1,00,00,000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>1,00,00,000</b>	<b>1,00,00,000</b>	<b>100.00</b>	-	<b>1,00,00,000</b>	<b>1,00,00,000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>1,00,00,000</b>	<b>1,00,00,000</b>	<b>100.00</b>	-	<b>1,00,00,000</b>	<b>1,00,00,000</b>	<b>100.00</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1,00,00,000	1,00,00,000	100.00	-	1,00,00,000	1,00,00,000	100.00	-

(ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	75,00,000	75.00	-	75,00,000	75.00	-	-
2	PRG Projects Private Limited	25,00,000	25.00	-	25,00,000	25.00	-	-
	<b>Total</b>	<b>1,00,00,000</b>	<b>100.00</b>	<b>-</b>	<b>1,00,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year:	-	-	-	-
	Date wise increase/ (decrease) in Promoters Shareholding during the year specifying the reason for increase/ (decrease):	-	-	-	-
	At the end of the year:	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Mr. Rakesh Kumar Wadhawan	-	-	-	-
2	Mr. Sarang Wadhawan	-	-	-	-
3	Mr. Pawan Mehra	-	-	-	-
4	Mrs. Romy Pawan Mehra	-	-	-	-
5	Mr. Gautam Mehra	-	-	-	-
6	Mrs. Sandhya Baliga	-	-	-	-
7	Mr. Hazari Lal	-	-	-	-
	<b>Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase / (decrease) (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>	-	-	-	-
	<b>At the end of the year: Directors and KMP:</b>				
1	Mr. Rakesh Kumar Wadhawan	-	-	-	-
2	Mr. Sarang Wadhawan	-	-	-	-
3	Mr. Pawan Mehra	-	-	-	-
4	Mrs. Romy Pawan Mehra	-	-	-	-
5	Mr. Gautam Mehra	-	-	-	-
6	Mrs. Sandhya Baliga	-	-	-	-
7	Mr. Hazari Lal	-	-	-	-

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:**

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	3,409.16	-	3,409.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>3,409.16</b>	-	<b>3,409.16</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	3,409.16	-	3,409.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>3,409.16</b>	-	<b>3,409.16</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL (A)**

**B. Remuneration to other Directors:**

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mrs. Sandhya Baliga	Mr. Hazari Lal				
1	Independent Directors						
	Fee for attending Board / Committee Meetings	0.40	0.40				0.80
	Commission	-	-				-
	Others, please specify	-	-				-
	<b>Total (1)</b>	<b>0.40</b>	<b>0.40</b>				<b>0.80</b>
2	Other Non-Executive Directors	Mr. Rakesh Kumar Wadhawan	Mr. Sarang Wadhawan	Mr. Pawan Mehra	Mrs. Romy Mehra	Mr. Gautam Mehra	-
	Fee for attending Board / Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total (B) = (1+2)</b>						<b>0.80</b>
	Ceiling as per the Act	Nil (Being 3% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)					
	<b>Total Managerial Remuneration = (A+B)</b>						<b>0.80</b>
	Overall Ceiling as per the Act	Nil (Being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)					

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: NIL**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
 Date: May 28, 2016

**Rakesh Kumar Wadhawan**  
 Director  
 DIN: 00028573

**Sarang Wadhawan**  
 Director  
 DIN: 00028608

# ANNEXURE 'B'

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company.

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated and approved by the Board of Directors at its Meeting held on March 14, 2015.

### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- that the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- to carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- to lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz. Executive, Non-Executive and Independent Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being and such other Rules / Regulations, as may be notified by MCA from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### DEFINITIONS

In this policy unless the context otherwise requires:

**"Act"** shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

**"Board of Directors"** or **"Board"** in relation to the Company means the collective body of the Directors of the Company.

**"Company"** means HC Infracity Private Limited.

**"Directors"** means Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** (KMP) in relation to a Company means,

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed under the Act.

**"Senior Management Personnel"** mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall have minimum three Directors as Members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of the following Directors:

- |    |                     |  |          |
|----|---------------------|--|----------|
| 1) | Mr. Hazari Lal      | Non-Executive Independent Director     | Chairman |
| 2) | Mrs. Sandhya Baliga | Non-Executive Independent Director     | Member   |
| 3) | Mr. Sarang Wadhawan | Non-Executive Non-Independent Director | Member   |

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee inter-alia will be the following:

- identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- devising a policy on Board diversity;
- formulation of criteria for evaluation of Independent Directors and the Board;
- ensure that the Board comprises of a balanced combination of Executive Directors and Non- Executive Directors and also the Independent Directors and
- decide / approve details of fixed components and performance linked incentives along with criteria.

## APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

### (i) Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

### (ii) Term / Tenure:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly;
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### (iii) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### (iv) Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

### (v) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT**

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board Meeting minutes.

**i. Remuneration to Whole-time / Executive / Managing Director**

**Fixed pay:**

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break- up of the pay scale and quantum of perquisites including, employer’s contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

**Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**Provisions for excess remuneration:**

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**ii. Remuneration / Commission to Non-Executive / Independent Director**

**Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**Sitting Fees:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 10,000/- per Meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

**Commission:**

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 3% of the profits of the Company computed as per the applicable provisions of the Act, if there are no Managing or Whole-Time Director of the Company.

In case, where the Company has appointed Managing or Whole-Time Director then Commission shall be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**REVIEW**

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

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# INDEPENDENT AUDITOR'S REPORT

## The Members of **HC INFRACITY PRIVATE LIMITED**, **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **HC INFRACITY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's management is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director under sub-section (2) of Section 164 of the Act.

## INDEPENDENT AUDITOR'S REPORT

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **BSSG & Company**  
Chartered Accountants  
Firm Registration No.: 009839N

**Dr. Sanjay Goyal, FCA**  
**Partner**  
**Membership No.: 088670**

Place : Mumbai  
Dated : May 28, 2016

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date on the financial statements for the year ended March 31 2016 of HC INFRACITY PRIVATE LIMITED:**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
 c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventory has been regularly verified during the year and the frequency of such verification is reasonable. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- (iii) The Company has not granted any loans to companies, firms, limited liability Partnerships or other parties covered in the register maintained under Section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company, except an interest free advance to a company mentioned below:

Name of the Company	Amount (₹ in lacs)
UM Architecture & Contractors Limited	73.50

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanation provided to us, the Company has not accepted any deposits to which provision of Section 73 to 76 or any other relevant provision of the Companies Act and rules framed thereunder to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding as on March 31, 2016 for a period of more than six months from the date they become payable, except below mentioned:

Name of the Statue	Nature of dues	Amount (₹ in lacs)	Period to which amount relates
Income Tax Act, 1961	Tax Deducted at Source	0.28	2015-16
Finance Act, 1994	Service Tax	0.11	2015-16

- (b) According to the information and explanations given to us, there are no material dues of Service Tax, Value Added Tax, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of dues to financial institution or bank or debenture-holders during the year.
- (ix) The Company has not raised money through initial public offers or further public offers or debt instruments or term loans during the financial year.
- (x) Based on the audit procedures performed and the representation obtained from the management, no case of fraud on or by the Company or any of its employees or officers were noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year, hence the provisions of the clause (xi) of paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi company as specified by the Act, and hence provisions under clause (xii) of paragraph 3 of the Order of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and where applicable the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence reporting under clause (xiv) of paragraph 3 of the Order of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **BSSG & Company**  
 Chartered Accountants  
 Firm Registration No.: 009839N

**Dr. Sanjay Goyal, FCA**  
 Partner  
 Membership No.: 088670

Place : Mumbai  
 Dated : May 28, 2016

## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HC INFRACITY PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **BSSG & Company**

Chartered Accountants

Firm Registration No.: 009839N

**Dr. Sanjay Goyal, FCA**

**Partner**

**Membership No.: 088670**

Place : Mumbai

Dated : May 28, 2016

# BALANCE SHEET AS AT

(₹ in Lacs)

Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	1,000.00		1,000.00	
Reserves and Surplus	3	30.65	1,030.65	41.35	1,041.35
<b>(2) Non-Current Liabilities</b>					
Long-term borrowings	4	3,409.16	3,409.16	3,409.16	3,409.16
<b>(3) Current Liabilities</b>					
Trade payables	5	228.24		236.55	
Other current liabilities	6	5,947.63		5,858.56	
Short-term provisions	7	-	6,175.87	-	6,095.11
<b>Total</b>			<b>10,615.68</b>		<b>10,545.62</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Fixed assets					
Tangible assets	8	19.52		28.31	
Deferred tax assets (net)	9	2.13		0.68	
Long term loans and advances	10	38.01	59.66	38.01	67.00
<b>(2) Current assets</b>					
Inventories	11	10,481.05		10,406.01	
Cash and bank balances	12	0.36		0.24	
Short-term loans and advances	13	74.61	10,556.02	72.37	10,478.62
<b>Total</b>			<b>10,615.68</b>		<b>10,545.62</b>
<b>Significant accounting policies</b>	1				

(Accompanying notes are an integral parts of the financial statements)

As per our Report of even date attached

For and on behalf of the Board of Directors

For **BSSG & Company**

Chartered Accountants

Firm Registration Number : 009839N

**Dr. Sanjay Goyal, FCA**

Partner

Membership No. 088670

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

Place : Mumbai

Date : May 28, 2016

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in Lacs)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Revenue from operations	14	-	607.66
<b>Total Revenue</b>		-	<b>607.66</b>
<b>Expenses:</b>			
Cost of materials consumed	15	19.21	39.90
Changes in inventories of work-in-progress	16	(75.04)	295.14
Employee benefit expense	17	3.44	113.44
Depreciation and amortisation expense	8	8.78	5.63
Other expenses	18	55.76	156.64
<b>Total Expenses</b>		<b>12.15</b>	<b>610.75</b>
<b>Profit before tax</b>		<b>(12.15)</b>	<b>(3.09)</b>
Tax expense			
Current tax		-	-
Deferred tax charge/(credit)		(1.45)	(0.30)
		<b>(1.45)</b>	<b>(0.30)</b>
<b>Profit for the year</b>		<b>(10.70)</b>	<b>(2.79)</b>
<b>Earnings per equity share of ₹ 10/-</b>	22		
Basic		(0.11)	(0.03)
Diluted		(0.11)	(0.03)
<b>Significant accounting policies</b>	1		
(Acompanying notes are an intergral parts of the financial statements)			

As per our Report of even date attached

For and on behalf of the Board of Directors

For **BSSG & Company**

Chartered Accountants

Firm Registration Number : 009839N

**Dr. Sanjay Goyal, FCA**

Partner

Membership No. 088670

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

Place : Mumbai

Date : May 28, 2016

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

# CASH FLOW STATEMENT FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
<b>A Cash flow from operating activities</b>				
Net profit before tax		(12.15)		(3.09)
Adjustments				
Depreciation		8.78		5.63
Operating profit before working capital changes		(3.37)		2.54
Movements in working capital :				
Decrease / (Increase) in inventories	(75.04)		295.14	
Decrease / (Increase) in trade receivables	-		156.53	
Decrease / (Increase) in other receivables	(2.23)		(19.51)	
(Decrease) / Increase in trade and other payables	80.76		(444.47)	
Net movement in working capital		3.49		(12.31)
Cash used in operations		0.12		(9.77)
Less : Direct taxes paid (net of refund)		-		3.99
<b>Net cash used in operating activities</b>		<b>0.12</b>		<b>(13.76)</b>
<b>B Cash flows from investing activities</b>				
Purchase of fixed assets		-		(3.26)
<b>Net cash used in investing activities</b>		-		(3.26)
<b>C Cash flows from financing activities</b>				
Proceeds from borrowings		-		0.10
Net cash from financing activities		-		0.10
Net increase in cash and cash equivalents (A + B + C)		0.12		(16.92)
Cash and cash equivalents at the beginning of the year		0.24		17.16
Cash and cash equivalents at the end of the year		<b>0.36</b>		<b>0.24</b>
<b>Components of cash and cash equivalents as at</b>		<b>31-Mar-2016</b>		<b>31-Mar-2015</b>
Cash on hand		0.08		0.03
With banks - on current account		0.28		0.21
		<b>0.36</b>		<b>0.24</b>

## Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **BSSG & Company**

Chartered Accountants

Firm Registration Number : 009839N

**Dr. Sanjay Goyal, FCA**

Partner

Membership No. 088670

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

Place : Mumbai

Date : May 28, 2016

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

## 1 SIGNIFICANT ACCOUNTING POLICIES:

### A. a) Basis of Preparation

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 7 years for the purpose of current- non current classification of assets and liabilities.

### b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities as on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### B. Fixed assets:

Fixed assets are stated at cost of acquisition or construction net of recoverable taxes, trade discounts, rebates, depreciation accumulated and accumulated impairment losses. All costs relating to the acquisition and installation of fixed assets are capitalised and includes borrowing costs relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

### C. Method of Depreciation and amortisation:

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act, 2013 with the exception of the following

Based on an independent technical evaluation, the useful life of Mobile has been estimated as 3 years, which is different from that prescribed in Schedule II of the Act.

### D. Inventories:

#### Inventories are valued as follows:

Work-in-progress : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses and borrowing costs.

Finished goods : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing costs and other related overheads as the case may be.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to effect the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### E. Revenue recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

Unit in real estate:

Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

**F. Employees benefits:**

During the year under consideration there were no permanent employees, hence benefits as per Accounting standard 15 employees benefits are not recognised.

**G. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

**H. Impairment:**

- i. The carrying amounts of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- ii. After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- iii. A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined has no impairment loss been recognised.

**I. Income taxes:**

- i. Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- ii. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- iii. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**J. Segment reporting policies:**

The main business of the Company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities in India and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

**K. Earnings per equity share:**

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**L. Provisions, contingent liabilities and contingent assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(₹ in lacs)

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
1,00,00,000 (Previous year 1,00,00,000) Equity shares of ₹10/- each	<b>1,000.00</b>		<b>1,000.00</b>	
<b>Issued, Subscribed and Paid Up</b>				
1,00,00,000 (Previous year 1,00,00,000) Equity shares of ₹10/- each fully paid	1,000.00		1,000.00	
<b>Total</b>	<b>1,000.00</b>		<b>1,000.00</b>	
<b>Reconciliation of the number of shares outstanding :</b>				
<b>Equity Shares</b>	<b>Number</b>		<b>Number</b>	
Shares outstanding at the beginning of the year	1,00,00,000		1,00,00,000	
Shares Issued during the year	-		-	
Shares bought back during the year	-		-	
<b>Shares outstanding at the end of the year</b>	<b>1,00,00,000</b>		<b>1,00,00,000</b>	
<b>Terms / rights attached to shares :</b>				
The Company has only one class of shares i.e. equity shares of ₹ 10/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.				
<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>				
<b>Particulars</b>	<b>No.</b>	<b>%held</b>	<b>No.</b>	<b>%held</b>
Housing Development and Infrastructure Limited - holding Company	75,00,000	75	75,00,000	75
PRG Projects Private Limited	25,00,000	25	25,00,000	25
<b>Particulars</b>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
<b>3 RESERVE AND SURPLUS</b>				
<b>Surplus</b>				
Opening Balance	41.35		44.14	
Less : Loss for the current year	(10.70)		(2.79)	
<b>Closing Balance</b>	<b>30.65</b>		<b>41.35</b>	
<b>4 LONG TERM BORROWINGS</b>				
<b>Unsecured loan</b>				
From Holding Company	2,985.77		2,985.77	
From the other Company	350.25		350.25	
From the Director	73.14		73.14	
<b>Total</b>	<b>3,409.16</b>		<b>3,409.16</b>	
All the above loans are interest free and repayable on demand.				

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>5 TRADE PAYABLES</b>		
Trade Payables	228.24	236.55
<b>Total</b>	<b>228.24</b>	<b>236.55</b>
<b>Micro, Small and Medium Enterprises :</b>		
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		
<b>6 OTHER CURRENT LIABILITIES</b>		
Advances from customers	1,776.05	1,825.22
Statutory dues payable	0.39	13.66
Other payable	4,171.19	4,019.68
<b>Total</b>	<b>5,947.63</b>	<b>5,858.56</b>
<b>7 SHORT TERM PROVISIONS</b>		
<b>Other Provisions :</b>		
Provision for taxation	27.70	27.70
Less : Tax Paid	27.70	27.70
<b>Total</b>	<b>-</b>	<b>-</b>

**8. FIXED ASSETS**

Description	Cost				Depreciation				WDV	
	As at 01 <sup>st</sup> April, 2015	Additions	Deletions	As at March 31, 2016	Upto March 31, 2015	For the year	On sale	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Own assets :</b>										
<b>Tangible Assets:</b>										
Furniture and Fixtures	13.18	-	-	13.18	3.82	2.20	-	6.02	7.16	9.36
Vehicles	12.90	-	-	12.90	6.14	1.88	-	8.02	4.88	6.76
Office Equipments	15.57	-	-	15.57	3.85	4.47	-	8.32	7.25	11.72
<b>Other Assets</b>										
Computers	1.57	-	-	1.57	1.10	0.23	-	1.33	0.24	0.47
<b>Total</b>	<b>43.22</b>	<b>-</b>	<b>-</b>	<b>43.22</b>	<b>14.91</b>	<b>8.78</b>	<b>-</b>	<b>23.69</b>	<b>19.53</b>	<b>28.31</b>
Previous year	39.96	3.26	-	43.22	9.28	5.63	-	14.91	28.31	30.68

Particulars	As at March 31, 2016	As at March 31, 2015
<b>9 DEFFERED TAX ASSETS (NET)</b>		
Arising on account of timing differences		
Related to fixed assets	2.13	0.68
<b>Total</b>	<b>2.13</b>	<b>0.68</b>

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>10 LONG TERM LOANS AND ADVANCES</b>		
Tax deducted at source	38.01	38.01
<b>Total</b>	<b>38.01</b>	<b>38.01</b>
In the opinion of the management, the value of above long term loans and advances is not less than as stated, if realised in the ordinary course of business.		
<b>11 INVENTORIES</b>		
Work -in-progress (lower of cost or net realisable value)	10,481.05	10,406.01
<b>Total</b>	<b>10,481.05</b>	<b>10,406.01</b>
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.		
<b>12 CASH AND BANK BALANCES</b>		
<b>Cash and Cash equivalents</b>		
Cash on hand	0.08	0.03
Balance with banks - in current accounts	0.28	0.21
<b>Total</b>	<b>0.36</b>	<b>0.24</b>
<b>13 SHORT TERM LOANS AND ADVANCES</b>		
Advance to supplier	0.08	1.25
Loans to employees	0.72	0.85
Security deposit	0.30	0.30
Other receivable	73.51	69.97
<b>Total</b>	<b>74.61</b>	<b>72.37</b>
In the opinion of the management, the value of above short term loans and advances is not less than as stated, if realised in the ordinary course of business.		

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>14 REVENUE FROM OPERATION</b>		
Sale of Land/plots	-	607.66
<b>Total</b>	<b>-</b>	<b>607.66</b>
<b>15 COST OF MATERIAL CONSUMED</b>		
Cost of material consumed	19.21	39.90
<b>Total</b>	<b>19.21</b>	<b>39.90</b>
<b>16 CHANGES IN WORK - IN PROGRESS</b>		
Opening work-in-progress	10,406.01	10,701.15
Less : Closing work-in-progress	10,481.05	10,406.01
<b>Total</b>	<b>(75.04)</b>	<b>295.14</b>
<b>17 EMPLOYE BENEFIT EXPENSES</b>		
Salaries and incentives *	2.12	111.01
Staff welfare expenses	1.32	2.43
<b>Total</b>	<b>3.44</b>	<b>113.44</b>
* Salaries and incentives includes Remuneration paid to Directors during the year ₹ Nil (Previous year ₹ 54.00 lacs)		

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>18 OTHER EXPENSES</b>		
Advertisement and sales promotion expenses	5.18	21.74
Electricity charges	7.03	9.95
Bank charges	0.03	2.60
Sundry expenses	1.23	3.62
Printing and stationery	0.94	1.76
Security charges	11.46	39.09
Professional fees	7.82	8.83
Repairs and maintenance to other assets	2.35	9.69
Communication expenses	6.79	8.70
Postages and telegram expenses	0.03	0.04
Travelling and conveyance expenses	10.94	49.55
Audit fees	1.00	1.00
Directors sitting fees	0.91	-
Filing fees paid to the Registrar of Companies	0.05	0.07
<b>Total</b>	<b>55.76</b>	<b>156.64</b>
Project related expenses included in above	52.39	151.95
<b>19</b> Value of imports on C. I. F. basis	Nil	Nil
<b>20</b> Expenditure in foreign currency	Nil	Nil
<b>21</b> Earnings in foreign exchange	Nil	Nil
<b>22</b> Earnings per equity share:		
a. Profit attributable to equity shareholders		
Loss for the year	₹ (10.70)	(2.79)
b. Weighted average number equity shares of ₹10/- each fully paid	Nos. 1,00,00,000	1,00,00,000
c. Earnings per share		
- Basic	₹ (0.11)	(0.03)
- Diluted	₹ (0.11)	(0.03)
<b>23 Related party disclosure</b>		
A. List of related parties with whom transactions have taken place during the current accounting year and relationship: Housing Development and Infrastructure Limited - holding Company		
<b>Associates</b>		
1. UM Architectures and Contractors Limited		
2. PRG Projects Private Limited		
<b>Key management personnel :</b>		
Name		
Mrs. Romy Mehra		
Mr. Gautam Mehra		

**B. Transactions with related party**

( ₹ in Lacs)

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates/ Enterprise influence by Key Management Personnel	Key Management Personnel	Total	Holding Company	Associates/ Enterprise influence by Key Management Personnel	Key Management Personnel	Total
Loans/advances given	-	3.54	-	3.54	-	17.87	-	17.87
Directors Remuneration	-	-	-	-	-	-	54.00	54.00
Outstanding as at year end- Due from	-	73.51	-	73.51	-	69.97	-	69.97
Outstanding as at year end- Due to	2,985.77	350.25	73.14	3,409.16	2,985.77	350.25	73.14	3,409.16

**C Disclosure in respect of material transactions with related parties during the year (included in 'B' above)**

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans / advances given</b>		
UM Architecture and Contractors Limited	3.54	17.87
<b>Directors Remuneration</b>		
Mrs. Romy Mehra	-	36.00
Mr. Gautam Mehra	-	18.00
<b>Outstanding as at year end- Due From</b>		
UM Architecture and Contractors Limited	73.51	69.97
<b>Outstanding as at year end- Due to</b>		
Housing Development And Infrastructure Limited	2,985.77	2,985.77
PRG Projects Private Limited	350.25	350.25
Mrs. Romy Mehra	73.14	73.14
<b>24 Contingent liabilities</b>		
Bank Gurantee given to Chief Pollution Control - Greater Noida	10.00	Nil
<b>25</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
<b>26 Nature of operations: -</b>		
HC Infracity is a leading real estate and infrastructure development Company.		
<b>27 Previous year figures have been reclassified to conform to this year's classification.</b>		

As per our Report of even date attached

For and on behalf of the Board of Directors

For **BSSG & Company**

Chartered Accountants

Firm Registration Number : 009839N

**Dr. Sanjay Goyal, FCA**

Partner

Membership No. 088670

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

Place : Mumbai

Date : May 28, 2016

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

## NOTICE

**NOTICE** is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of **LASHKARIA CONSTRUCTION PRIVATE LIMITED** will be held on Thursday, September 15, 2016, at 1:00 p.m. at 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sarang Wadhawan (DIN: 00028608), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and upon recommendation of the Audit Committee, M/s. U. D. Kachare & Co., Chartered Accountants (Firm Registration No. 104513W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Seventeenth AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax, as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **Lashkaria Construction Private Limited**

**Sarang Wadhawan**

**Director**

**DIN: 00028608**

Place: Mumbai

Date: May 27, 2016

**NOTES**

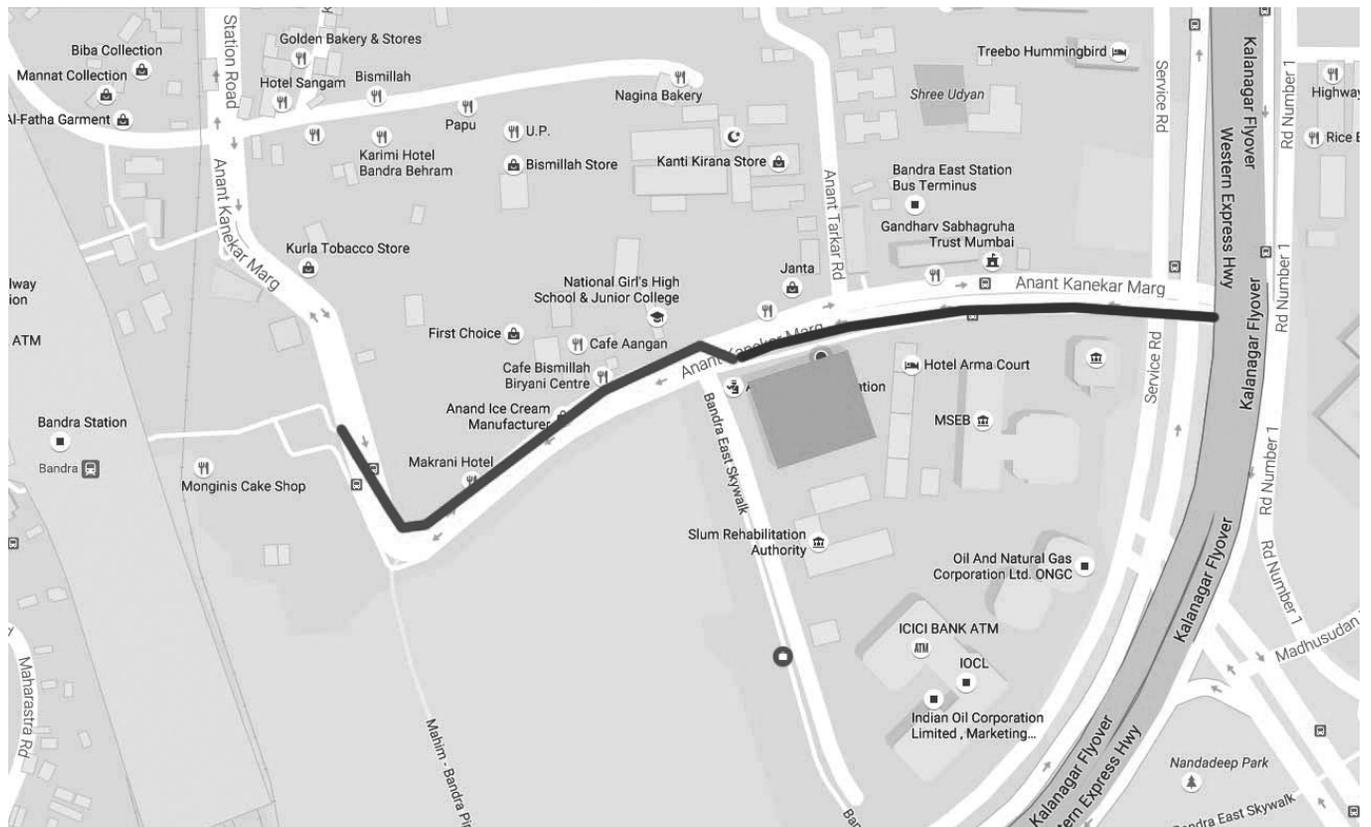
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.

A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. A Route map showing directions to reach the venue of the 16<sup>th</sup> AGM is given at the end of this Notice as per requirement of the Secretarial Standard - 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

### BACKGROUND AND OPERATIONS

Your Company is a wholly owned subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate development.

### Project:

The Company proposed Special Township project for improvement and redevelopment on slums through Integrated and Comprehensive Development on part of land bearing C.T.C. No. 2841, 2843 and 3525 of Village Malvani.

### FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	(₹ In Lacs)	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	<b>3.24</b>	<b>1.14</b>
Profit before finance cost, depreciation, amortisation and taxation	(0.23)	(5.07)
Finance Cost	-	-
Depreciation and Amortization	7.41	9.85
<b>Operational profit before tax</b>	<b>(7.64)</b>	<b>(14.92)</b>
Less: Tax Expenses	(2.47)	(5.94)
Profit for the year	(5.17)	(8.98)
Balance brought forward	471.00	478.91
Add: Other adjustments	(19.45)	1.07
Profit available for appropriation	446.38	471.00
<b>Closing Balance</b>	<b>446.38</b>	<b>471.00</b>
<b>Net Worth</b>	<b>1,446.38</b>	<b>1,471.00</b>

### STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

Your Company has earned ₹ 3.24 lacs revenue during the year as against ₹ 1.14 lacs in the previous year and the Company has incurred a loss of ₹ 5.17 lacs during the year as against loss of ₹ 8.98 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

### DIVIDEND

In view of losses for the year, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

### SHARE CAPITAL

The paid-up equity share capital of the Company on March 31, 2016 was ₹ 1,000 lacs. During the F.Y., there has been no change in the issued, subscribed and paid up share capital of the Company.

### RESERVES

In view of losses for the year, no amount has been transferred to Reserves.

### FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the year under review, within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

### DIRECTORS

In accordance with the provisions of Section 152 of the Act, Mr. Sarang Wadhawan is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible offers himself for re-appointment.

Your Company received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed by Section 149(6) of the Act.

During the F.Y., there was no change in the constitution of the Board of Directors ("the Board") of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2016 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### NUMBER OF MEETINGS OF THE BOARD

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met Five (5) times viz. on May 14, 2015, August 8, 2015, October 6, 2015, November 7, 2015 and February 13, 2016.

#### Attendance of the Directors:

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Sarang Wadhawan	5	5
2	Sandhya Baliga	5	4
3	Hazari Lal	5	4
4	Aslam Lashkaria	5	5
5	Raiees Lashkaria	5	1
6	Mohd Arshad Lashkaria	5	5
7	Mohammed Vaseem Mohammed Aslam Lashkaria	5	1

#### COMMITTEES OF THE BOARD

Your Company has following committees of the Board, which are in place in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee

#### AUDIT COMMITTEE:

The Audit Committee comprises of the following Directors:

1. Mrs. Sandhya Baliga - Chairperson
2. Mr. Sarang Wadhawan - Member
3. Mr. Hazari Lal - Member

During the F.Y., the Audit Committee met four (4) times viz. on May 14, 2015, August 8, 2015, October 6, 2015 and February 13, 2016.

All the recommendations made by the Audit Committee were accepted by the Board.

#### Attendance of the Members of Audit Committee:

Sr. No.	Name of Member	Number of Audit Committee Meetings	
		Held	Attended
1	Sandhya Baliga	4	4
2	Hazari Lal	4	4
3	Sarang Wadhawan	4	4

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of the following Directors:

1. Mrs. Sandhya Baliga - Chairperson
2. Mr. Sarang Wadhawan - Member
3. Mr. Hazari Lal - Member

### STATUTORY AUDITORS

M/s. U. D. Kachare & Co., Chartered Accountants (Firm Registration No. 104513W), Statutory Auditors of your Company, who retire at the ensuing AGM are eligible for appointment.

The Company has received a letter from M/s. U.D. Kachare & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provision of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

### EXPLANATION ON AUDITORS' REPORT

There are no qualifications, reservations, adverse remarks or disclaimers made by Auditors in their Report dated May 27, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

### INTERNAL FINANCIAL CONTROL

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Pursuant to Section 186 of the Act, particulars of the investments made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security is proposed to be utilised by such recipient are provided under respective notes in Financial Statements.

### RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the F.Y. were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act, are not attracted and hence the disclosure in form AOC-2 is not required.

Suitable disclosures as required under AS-18 have been made in Note 23 of the Notes to the financial statements.

### RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board has in place a Risk Management Policy, to manage risk through a detailed Policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

### NOMINATION AND REMUNERATION POLICY

The Company has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors. The detailed policy is annexed as Annexure 'B'.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3)(m) of the Act, read with Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

During the year F.Y., the Company has neither earned nor used any foreign exchange.

### REGULATORY ACTION

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

### INFORMATION OF MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 27, 2016, being the date of this report.

### APPRECIATION

Your Directors express their sincere thanks to the Business Associates, Banks, Financial Institutions and Government Authorities for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 27, 2016

**Sarang Wadhawan**  
Director  
DIN: 00028608

**Aslam Yasin Lashkaria**  
Director  
DIN: 00045502

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U70100MH2000PTC128723
2. Registration Date	September 15, 2000
3. Name of the Company	Lashkaria Construction Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	102, 1 <sup>st</sup> Floor, Diamond Apartment, CTS No. 198, New Link Road, Oshiwara, Mumbai – 400 102 Tel: + 91 22 6788 9000 Fax: +91 22 6788 9090 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	69.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	31,00,000	31,00,000	31.00	-	31,00,000	31,00,000	31.00	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	69,00,000	69,00,000	69.00	-	69,00,000	69,00,000	69.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>1,00,00,000</b>	<b>1,00,00,000</b>	<b>100.00</b>	-	<b>1,00,00,000</b>	<b>1,00,00,000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	1,00,00,000	1,00,00,000	100.00	-	1,00,00,000	1,00,00,000	100.00	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Indian	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1,00,00,000	1,00,00,000	100.00	-	1,00,00,000	1,00,00,000	100.00	-

## (ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	69,00,000	69.00	-	69,00,000	69.00	-	-
2	Aslam Yasin Lashkaria	17,09,492	17.09	-	17,09,492	17.09	-	-
3	Arshad A. Lashkaria	6,16,035	6.16	-	6,16,035	6.16	-	-
4	Vaseem Aslam Lashkaria	6,16,035	6.16	-	6,16,035	6.16	-	-
5	Praveen A. Zahida Lashkaria	1,22,564	1.23	-	1,22,564	1.23	-	-
6	Imran Aslam Lashkaria	33,134	0.33	-	33,134	0.33	-	-
7	Azam Yasin Lashkaria	330	0.00	-	330	0.00	-	-
8	Arif Yasin Lashkaria	330	0.00	-	330	0.00	-	-
9	Raees Yasin Lashkaria	330	0.00	-	330	0.00	-	-
10	Salim Yasin Lashkaria	330	0.00	-	330	0.00	-	-
11	Rashid Yasin Lashkaria	330	0.00	-	330	0.00	-	-
12	Arshad Shafi Sayyad	330	0.00	-	330	0.00	-	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
13	Rehmat Salim Belim	330	0.00	-	330	0.00	-	-
14	Sadiq Salim Belim	330	0.00	-	330	0.00	-	-
15	Hassam Yasin Lashkaria	100	0.00	-	100	0.00	-	-
	Total	1,00,00,000	100.00	-	1,00,00,000	100.00	-	-

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in Promoters Shareholding during the year specifying the reason for increase/ (decrease):	-	-	-	-
	At the end of the year	-	-	-	-

## (iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-

## (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Sarang Wadhawan	-	-	-	-
2	Sandhya Baliga	-	-	-	-
3	Hazari Lal	-	-	-	-
4	Aslam Lashkaria	17,09,492	17.09	17,09,492	17.09
5	Raiees Lashkaria	330	0.00	330	0.00
6	Mohd Arshad Lashkaria	6,16,035	6.16	6,16,035	6.16
7	Mohammed Vaseem Mohammed Aslam Lashkaria	6,16,035	6.16	6,16,035	6.16
	<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>	-	-	-	-
	<b>At the end of the year: Directors and KMP:</b>				
1	Sarang Wadhawan	-	-	-	-
2	Sandhya Baliga	-	-	-	-
3	Hazari Lal	-	-	-	-
4	Aslam Lashkaria	17,09,492	17.09	17,09,492	17.09
5	Raiees Lashkaria	330	0.00	330	0.00
6	Mohd Arshad Lashkaria	6,16,035	6.16	6,16,035	6.16
7	Mohammed Vaseem Mohammed Aslam Lashkaria	6,16,035	6.16	6,16,035	6.16

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:**

Particulars	(₹ in Lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	5,668.46	-	5,668.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>5,668.46</b>	-	<b>5,668.46</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	5,668.46	-	5,668.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>5,668.46</b>	-	<b>5,668.46</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A. (A)****B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mrs. Sandhya Baliga	Mr. Hazari Lal				
1	Independent Directors						
	Fee for attending Board / Committee Meetings	0.40	0.40				0.80
	Commission	-	-				-
	Others, please specify	-	-				-
	<b>Total (1)</b>	<b>0.40</b>	<b>0.40</b>				<b>0.80</b>
2	Other Non-Executive Directors						
	Fee for attending Board / Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1+2)</b>						<b>0.80</b>
	Ceiling as per the Act	Nil (being 3% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)					
	<b>Total Managerial Remuneration = (A+B)</b>						<b>0.80</b>
	Overall Ceiling as per the Act	Nil (being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)					

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: N.A.****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 27, 2016Sarang Wadhawan  
Director  
DIN: 00028608Aslam Yasin Lashkaria  
Director  
DIN: 00045502

# ANNEXURE 'B'

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated and approved by the Board of Directors at its Meeting held on March 14, 2015.

### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- that the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- to carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- to lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz. Executive, Non-Executive and Independent Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being and such other Rules / Regulations, as may be notified by MCA from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### DEFINITIONS

In this policy unless the context otherwise requires:

**"Act"** shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

**"Board of Directors"** or **"Board"** in relation to the Company means the collective body of the Directors of the Company.

**"Company"** means Lashkaria Construction Private Limited.

**"Directors"** means Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** (KMP) in relation to a Company means,

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed under the Act.

**"Senior Management Personnel"** mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall have minimum three Directors as Members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of the following Directors:

1)	Mrs. Sandhya Baliga	Non-Executive Independent Director	Chairperson
2)	Mr. Hazari Lal	Non-Executive Independent Director	Member
3)	Mr. Sarang Wadhawan	Non-Executive Non-Independent Director	Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee *inter-alia* will be the following:

- identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- devising a policy on Board diversity;
- formulation of criteria for evaluation of Independent Directors and the Board;
- ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors and
- decide / approve details of fixed components and performance linked incentives along with criteria.

## APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

### (i) Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

### (ii) Term / Tenure:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly and
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### (iii) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### (iv) Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

### (v) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board Meeting minutes.

### i. Remuneration to Whole-time / Executive / Managing Director

#### Fixed pay:

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

#### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### Provisions for excess remuneration:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### ii. Remuneration / Commission to Non-Executive / Independent Director

#### Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 10,000/- per Meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

#### Commission:

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 3% of the profits of the Company computed as per the applicable provisions of the Act, if there are no Managing or Whole-Time Director of the Company.

In case, where the Company has appointed Managing or Whole-Time Director then Commission shall be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## REVIEW

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

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# INDEPENDENT AUDITORS' REPORT

To the Members of **LASHKARIA CONSTRUCTION PRIVATE LIMITED**,

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **LASHKARIA CONSTRUCTION PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

## Report on Other Legal And Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting
- (g) With respect, to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigation as at March 31, 2016 on the financial position in its financial statements - Refer to Note no. 24 of the Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **U. D. Kachare & Co.**  
Chartered Accountants  
Firm Registration No: 104513W

**Uday D. Kachare**  
**Proprietor**  
**Membership No. 038046**

Place : Mumbai  
Date : May 27, 2016

## ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)  
**Report on the Internal Financial Control Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **LASHKARIA CONSTRUCTION PRIVATE LIMITED** ('the Company') as of March 31 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the management and directors of the Company and
- (3) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **U. D. KACHARE & CO.**

Chartered Accountants

Firm Registration No.: 104513W

**Uday. D. Kachare**

**Proprietor**

**Membership No.: 038046**

Place: Mumbai

Date : May 27, 2016

## ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date) **Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of LASHKARIA CONSTRUCTION PRIVATE LIMITED.**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.  
 (b) All the fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
- (ii) According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- (iii) The Company has granted unsecured loans to three parties covered in register maintained under Section 189 of the Companies Act, 2013. In respect of the aforesaid loans, the terms and conditions under which such loans granted are not prejudicial to the Company's Interest. The aforesaid loans are payable on demand and given on interest free. Hence repayment of principal loan and interest thereon are not applicable.  
 In respect of aforesaid loan there is no overdue amount as loan are repayable on demand.
- (iv) In our opinion, and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause (v) of the Order are not applicable to the Company.
- (vi) The aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores and therefore the provisions of Companies (Cost Accounting Records) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as are applicable, with the appropriate authorities.  
 According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.  
 (b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of dispute.  
 (c) Details of dues of Value Added Tax which have not been deposited as at March 31, 2016 on account of dispute are given below:

Name of the statute	Nature of dues	₹ in lacs	Period to which the amount relates	Forum where Dispute is pending
MVAT Act, 2002	Sales Tax	81.08	Assessment Year 2008-09	Dy Comm. of Sales Tax Mumbai

There were no dues of Service Tax, Income Tax, duty of Customs and Cess which have not been deposited as at March 31, 2016 on account of dispute.

- (viii) The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures and accordingly the provisions of clause (viii) of the paragraph 3 of the Order are not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the paragraph 3 of the Order is not applicable.
- (x) According to the information and explanations given to us and based upon the audit procedures performed by us, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid managerial remuneration, hence reporting under clause (xi) of the paragraph 3 of the Order is not applicable
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the paragraph 3 of the Order is not applicable
- (xiii) According to the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and Section 188 of the of the Act wherever applicable and the details have been disclosed in the Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the paragraph 3 of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, during the year the Company has not entered into any non-cash transactions with its Directors or person connected to Directors and accordingly clause (xv) of the paragraph 3 of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India 1934 therefore, Clause (xvi) of the paragraph 3 of the Order is not applicable to the Company.

For **U. D. KACHARE & CO.**  
 Chartered Accountants  
 Firm Registration No.104513W

**Uday. D. Kachare**  
 Proprietor  
 Membership No. 038046

Place: Mumbai  
 Date : May 27, 2016

**BALANCE SHEET AS AT**

(₹ in Lacs)

Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share capital	2	1,000.00		1,000.00	
Reserves and surplus	3	446.38	1,446.38	471.00	1,471.00
<b>(2) Non-Current Liabilities</b>					
Long-term borrowings	4	5,668.46	5,668.46	5,668.46	5,668.46
<b>(3) Current Liabilities</b>					
Trade payables	5	3.25		6.44	
Other current liabilities	6	4.44	7.69	1.54	7.98
<b>Total</b>			<b>7,122.53</b>		<b>7,147.44</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Fixed assets	7				
Tangible assets		6.29		13.71	
Non-current investments	8	1,544.00		1,544.00	
Deferred tax assets (net)	9	20.81		18.33	
Long term loans and advances	10	4,069.76	5,640.86	4,076.73	5,652.77
<b>(2) Current assets</b>					
Current investment	11	793.28		793.27	
Inventories	12	591.18		591.18	
Trade receivables	13	44.88		44.88	
Cash and bank balances	14	28.04		37.31	
Short-term loans and advances	15	24.29	1,481.67	28.03	1,494.67
<b>Total</b>			<b>7,122.53</b>		<b>7,147.44</b>
<b>Significant Accounting Policies</b>	1				

(Accompanying notes are an integral part of the financial statements)

As per our Report of even date attached

For and on behalf of the Board of Directors

For **U. D. KACHARE & CO.**

Chartered Accountants

Firm Registration Number: 104513W

**Uday D. Kachare**

(Proprietor)

Membership No. 038046

**Sarang Wadhawan**

(Director)

**Aslam Y. Lashkaria**

(Director)

Place : Mumbai

Date : May 27, 2016

**Sandhya Baliga**

(Director)

**Hazari Lal**

(Director)

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Other Income	16	3.24	1.15
<b>Total Revenue</b>		<b>3.24</b>	<b>1.15</b>
<b>Expenses:</b>			
Changes in inventories of work-in-progress	17	-	(0.79)
Depreciation and amortisation expense	7	7.42	9.85
Other expenses	18	3.46	7.01
<b>Total Expenses</b>		<b>10.88</b>	<b>16.07</b>
Profit before tax		(7.64)	(14.92)
Tax expense:			
Current Tax		-	-
Deferred tax charge / (Credit)		(2.47)	(5.94)
		(2.47)	(5.94)
<b>Loss for the year</b>		<b>(5.17)</b>	<b>(8.98)</b>
<b>Earnings per equity share of ₹ 10/-</b>	22		
Basic		(0.25)	(0.08)
Diluted		(0.25)	(0.08)
<b>Significant Accounting Policies</b>	1		
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For and on behalf of the Board of Directors

For **U. D. KACHARE & CO.**

Chartered Accountants

Firm Registration Number: 104513W

**Uday D. Kachare**

(Proprietor)

Membership No. 038046

Place : Mumbai

Date : May 27, 2016

**Sarang Wadhawan**

(Director)

**Aslam Y. Lashkaria**

(Director)

**Sandhya Baliga**

(Director)

**Hazari Lal**

(Director)

# CASH FLOW STATEMENT FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
<b>A. Cash flow from operating activities</b>				
Net profit before tax		(7.64)		(14.92)
Adjustments for :				
Depreciation	7.42		9.85	
Loss on sale of Fixed asset	-		4.20	
Interest received	(0.37)	7.05	(0.45)	13.60
Operating profit before working capital changes		(0.59)		(1.32)
Movements in working capital :				
Decrease/(Increase) in inventory	-		(0.79)	
Decrease/(Increase) in trade receivables	-		11.62	
Decrease/(Increase) in other receivables	10.70		9.76	
Increase/(Decrease) in trade and other payables	(0.29)		(19.02)	
Net movement in working capital		10.41		1.57
Cash generated from operations		9.82		0.25
Less : Direct taxes paid (net of refunds)		19.46		-
<b>Net cash from operating activities</b>		(9.64)		0.25
<b>B. Cash flows from investing activities</b>				
Interest received	0.37		0.45	
Sale of fixed assets	-		0.50	
<b>Net cash from investing activities</b>		0.37		0.95
<b>C. Cash flows from financing activities</b>				
Net cash used in financing activities		-		-
Net increase in cash and cash equivalents (A + B + C)		(9.27)		1.20
Cash and cash equivalents at the beginning of the year		37.31		36.11
Cash and cash equivalents at the end of the year		<b>28.04</b>		<b>37.31</b>
<b>Components of cash and cash equivalents as at</b>		<b>31-Mar-2016</b>		<b>31-Mar-2015</b>
Cash on hand		22.85		24.04
With banks - On Current account		5.19		8.27
- On Fixed deposit account		-		5.00
		<b>28.04</b>		<b>37.31</b>

## Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- Figures in the bracket indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **U. D. KACHARE & CO.**

Chartered Accountants

Firm Registration Number: 104513W

**Uday D. Kachare**

(Proprietor)

Membership No. 038046

**Sarang Wadhawan**

(Director)

**Aslam Y. Lashkaria**

(Director)

Place : Mumbai

Date : May 27, 2016

**Sandhya Baliga**

(Director)

**Hazari Lal**

(Director)

# NOTES ON THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES:

### A. Basis of Preparation:

- a) These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities as on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### B. Fixed assets:

#### Tangible assets

Fixed assets are stated at cost of acquisition or construction net of recoverable taxes, trade discounts, rebates, depreciation accumulated and accumulated impairment losses. All costs relating to the acquisition and installation of fixed assets are capitalised and includes borrowing costs relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

### C. Method of Depreciation and amortisation:

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act, 2013.

### D. Investments:

Investments that are readily realisable and are intended to be held for not more than a year from the date, on which such investments are made, are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost. Provision for diminution in value of long term investment is made to recognise a decline other than temporary as specified in Accounting Standard (AS 13) on "Accounting for Investments".

### E. Inventories:

Work-in-progress : Lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses and borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyancing and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### F. Revenue Recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

### a) Sale - Unit in real estate: -

Revenue is recognised when the significant risks and rewards of ownership of the units in real estates have passed to the buyer.

**b) Interest: -**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**G. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

**H. Leases:**

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership during the leased term, are classified as operating leases. Operating lease payments are charged to Statement of Profit and Loss.

**I. Income taxes:**

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**J. Segment reporting policies:**

The main business of the Company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities in India and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

**K. Earnings per share:**

Basic earnings per equity share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

For the purpose of calculating diluted earnings per equity share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**L. Impairment:**

- a) The carrying amounts of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- b) After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- c) A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised.

**M. Provisions, contingent liabilities and contingent assets:**

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.



(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>5. TRADE PAYABLES</b>		
Trade Payables	3.25	6.44
<b>Total</b>	<b>3.25</b>	<b>6.44</b>
<b>Micro, Small and Medium Enterprises :</b>		
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		
<b>6. OTHER CURRENT LIABILITIES</b>		
a) Statutory dues	0.25	0.08
b) Other Payables	4.19	1.46
<b>Total</b>	<b>4.44</b>	<b>1.54</b>

**7. FIXED ASSETS**

Description	Cost			Depreciation					WDV		
	As at 1 <sup>st</sup> Apr, 2015	Addition during the year	Deletions during the year	As at March 31, 2016	Upto March 31, 2015	During the year	Adjustments	On sale or adjustments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Own assets :</b>											
<b>Tangible Assets :</b>											
Furniture and Fixtures	0.84	-	-	0.84	0.64	0.06	-	-	0.70	0.14	0.20
Vehicles	90.46	-	-	90.46	77.15	7.16	-	-	84.31	6.15	13.31
Office Equipments	2.66	-	-	2.66	2.46	0.20	-	-	2.66	-	0.20
Other Assets:											
Computer	4.47	-	-	4.47	4.47	-	-	-	4.47	-	-
<b>Total</b>	<b>98.43</b>	<b>-</b>	<b>-</b>	<b>98.43</b>	<b>84.72</b>	<b>7.42</b>	<b>-</b>	<b>-</b>	<b>92.14</b>	<b>6.29</b>	<b>13.71</b>
Previous year	111.99	-	13.56	98.43	84.80	9.85	1.07	8.86	84.72	13.71	27.19

Particulars	As at March 31, 2016	As at March 31, 2015
<b>8. NON CURRENT INVESTMENT</b>		
<b>Other than trade -Unquoted Shares (at cost) (long term)</b>		
<b>Lashkaria Housing and Infrastructure Private Limited</b>		
15,440 (previous year 15,440) 10% Redeemable Non Cumulative Preference shares of ₹ 10/- each fully paid	1,544.00	1,544.00
<b>Total</b>	<b>1,544.00</b>	<b>1,544.00</b>
In the opinion of the management, the value of Non Current Investment is not less than as stated, if realised in the ordinary course of business.		

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
<b>9. DEFFERED TAX ASSET(NET)</b>		
<b>Arising on account of timing differences</b>		
<b>Assets</b>		
Related to fixed assets	9.91	9.70
Unabsorbed depreciation	8.90	7.07
Others	2.00	1.56
<b>Total</b>	<b>20.81</b>	<b>18.33</b>
<b>10. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Loans and advances to related parties	23.82	25.82
Advances for Land purchase /tenancy / claims / development rights	4,045.00	4,050.00
Income tax refund receivable	0.94	0.91
<b>Total</b>	<b>4,069.76</b>	<b>4,076.73</b>
In the opinion of the management, the value of Long Term Loans and Advances is not less than as stated, if realised in the ordinary course of business.		
<b>11. CURRENT INVESTMENT (AT LOWER OF COST OR MARKET VALUE)</b>		
Lashakaria Housing and Infrastructure Private Limited (Share of profit - 10%)	793.28	793.27
<b>Total</b>	<b>793.28</b>	<b>793.27</b>
In the opinion of the management, the value of Current Investment is not less than as stated, if realised in the ordinary course of business.		
<b>12. INVENTORIES</b>		
Work -in-progress (lower of cost or net realisable value)	591.18	591.18
<b>Total</b>	<b>591.18</b>	<b>591.18</b>
In the opinion of the management, the value of Inventories is not less than as stated, if realised in the ordinary course of business.		
<b>13. TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	44.88	44.88
Others	-	-
<b>Total</b>	<b>44.88</b>	<b>44.88</b>
In the opinion of the management, the value of Trade Receivables is not less than as stated, if realised in the ordinary course of business.		
<b>14. CASH AND BANK BALANCES</b>		
Cash and Cash equivalents		
Cash on hand	22.85	24.04
Balance with banks - In current accounts	5.19	8.27
Deposit accounts with more than 12 months maturity *	-	5.00
<b>Total</b>	<b>28.04</b>	<b>37.31</b>
* Earnest money deposit of ₹ Nil (previous year ₹ 5.00 Lacs) with Public work Department.		

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>15. SHORT TERM LOANS AND ADVANCES</b>		
Others :		
Advances for Land purchase /tenancy / claims / development rights	24.29	27.00
Interest accrued on fixed deposits	-	1.03
<b>Total</b>	<b>24.29</b>	<b>28.03</b>
In the opinion of the management, the value of Short Term Loans and Advances is not less than as stated, if realised in the ordinary course of business.		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>16. OTHER INCOME</b>		
Interest on fixed deposit	0.37	0.45
Late Payment Charges	-	0.68
Miscellaneous income	2.87	0.02
<b>Total</b>	<b>3.24</b>	<b>1.15</b>
<b>17. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS</b>		
Opening work-in-progress	591.18	590.39
Closing work-in-progress	591.18	591.18
<b>Variation</b>	<b>-</b>	<b>(0.79)</b>
<b>18. OTHER EXPENSES</b>		
Rates and taxes	0.02	0.14
Rent paid (refer note 18.1)	-	0.54
Insurance charges	-	0.04
Payment to Auditors		
Audit fees	0.80	0.80
Taxation matters	0.98	0.66
Legal and professional fees	0.35	0.28
Electricity charges	-	0.03
Loss on sale of fixed assets	-	4.20
Directors remuneration, commission and sitting fees	0.85	-
Other expenses	0.40	0.25
Bank Charges	0.01	0.02
Filing fees paid to the Registrar of Companies	0.05	0.05
<b>Total</b>	<b>3.46</b>	<b>7.01</b>
Project related expenses included in above expenses	-	0.79
<b>18.1 Assets taken on lease :</b>		
a) General description of leasing arrangement		
i) Leased assets : Commercial premises.		
ii) Future lease rentals are determined on the basis of agreed terms.		
iii) At the expiry of the lease term, the company agrees to record the new terms and condition of their agreement in relation to lease of the Premises.		
b) Lease payment paid or payable for the year is recognised in the Statement of Profit and Loss ₹ Nil lacs (previous year ₹ 0.54 lacs)		
c) Total minimum lease payments payable		

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>The total of minimum lease payments for year :</b>		
Not more than one year	-	-
Not less than one year and not more than five years	-	-
More than five years	-	-
<b>19. Value of imports calculated on CIF basis</b>	Nil	Nil
<b>20. Earnings in foreign exchange</b>	Nil	Nil
<b>21. Expenditure in foreign currency</b>	Nil	Nil
<b>22. Earnings per equity share:</b>		
a) Loss after tax as per Statement of Profit and Loss	(5.17)	(8.98)
Less: Short provision for tax	(19.45)	-
Less : Adjustment on account of depreciation as per Schedule II of the Companies Act, 2013	-	1.07
	(24.62)	(7.91)
b) Weighted average number of equity shares of ₹ 10/- each	1,00,00,000	1,00,00,000
c) Earning per share - Basic	(0.25)	(0.09)
d) Earning per share - Diluted	(0.25)	(0.09)

**23. Related party disclosure:****a) List of related parties with whom transactions have taken place during the current accounting year and relationship:****Holding Company**

Housing Development and Infrastructure Limited

**Joint Venture**

Lashkaria Housing and Infrastructure Private Ltd

**Enterprise significantly influenced by key management personnel**

Global Construction

Shabnam Associates

Satyam Property Developers

Perfect Construction

**Key management personnel****Name**

Aslam Y. Lashkaria

**b) Transaction with related party**

Nature of transactions	March 31, 2016				March 31, 2015			
	Holding Company	Enterprises influenced by Key Management Personnel	Joint Venture	Total	Holding Company	Enterprises influenced by Key Management Personnel	Joint Venture	Total
Loans/advances received	-	2.00	-	2.00	-	-	-	-
Outstanding as at year end - Due to	5,668.46	-	-	5,668.46	5,668.46	-	-	5,668.46
Outstanding as at year end - Due from	-	23.82	793.28	817.10	-	25.82	793.28	819.10

## c) Disclosure in respect of material transactions with related parties during the year

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances received</b>		
Shabnam Associates	2.00	-
<b>Outstanding as at year end- Due to Loans:</b>		
Housing Development and Infrastructure Limited	5,668.46	5,668.46
<b>Outstanding as at year end- Due from Advances:</b>		
Global Construction	10.00	10.00
Satyam Property Developers	1.32	1.32
Shabnam Associates	12.50	14.50
Perfect Construction	23.82	25.82
<b>Investment:</b>		
Lashkaria Housing and Infrastructure Private Ltd	793.28	793.28
<b>24. CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
Demand of Maharashtra Value Added Tax disputed by the Company.	81.08	Nil
<b>25. COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	Nil	Nil

**26.** The Company has entered into joint venture project with Lashkaria Housing & Infrastructure Private Ltd for Roshan Nagar Project. The closing WIP of Roshan Nagar project has been transferred to investment in joint venture under current investment.

**27. Nature of operations**

The Company is engaged in the business of real estate development.

**28. Previous year figures have been reclassified to conform to this year's classification.**

As per our Report of even date attached

For and on behalf of the Board of Directors

For **U. D. KACHARE & CO.**

Chartered Accountants

Firm Registration Number: 104513W

**Uday D. Kachare**

(Proprietor)

Membership No. 038046

**Sarang Wadhawan**

(Director)

**Aslam Y. Lashkaria**

(Director)

Place : Mumbai

Date : May 27, 2016

**Sandhya Baliga**

(Director)

**Hazari Lal**

(Director)

## NOTICE

**NOTICE** is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of **MAZDA ESTATES PRIVATE LIMITED** will be held on Wednesday, September 14, 2016, at 12:00 noon at Registered Office of the Company situated at 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Venkatavarathan Iyengar (DIN: 00418374), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Nineteenth AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **Mazda Estates Private Limited**

**Venkatavarathan Iyengar**  
**Director**  
**DIN: 00418374**

Place: Mumbai

Date: May 27, 2016

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.

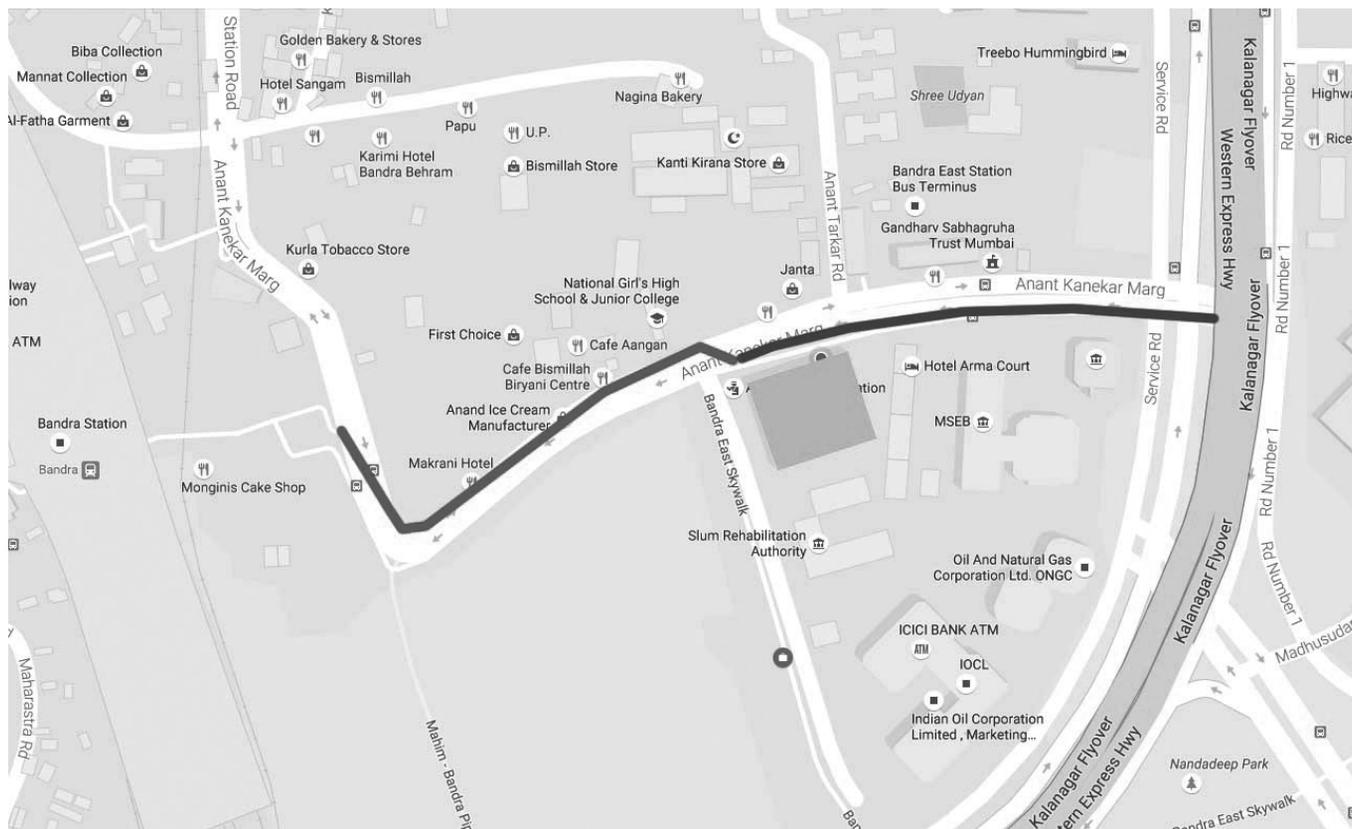
A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 (“the Act”), are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

3. A Route map showing directions to reach the venue of the 14<sup>th</sup> AGM is given at the end of the this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051



# DIRECTORS' REPORT

## Dear Members,

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

## BACKGROUND AND OPERATIONS

Your Company is a wholly owned subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate development.

## FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	(` In Lacs)	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	-	-
Profit before finance cost, depreciation, amortisation and taxation	(0.39)	(1.89)
Finance Cost	-	-
Depreciation and Amortization	-	-
<b>Operational profit before tax</b>	<b>(0.39)</b>	<b>(1.89)</b>
Less: Tax Expenses	-	-
<b>Profit for the year</b>	<b>(0.40)</b>	<b>(1.89)</b>
Balance brought forward	(2.70)	(0.81)
Profit available for appropriation	(3.09)	(2.70)
<b>Closing Balance</b>	<b>(3.09)</b>	<b>(2.70)</b>
<b>Net Worth</b>	<b>37.91</b>	<b>38.30</b>

## STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

Your Company has incurred a Loss of ₹ 0.39 lacs during the year as against Loss of ₹ 1.89 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

## DIVIDEND

In view of losses for the year, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

## SHARE CAPITAL

The paid-up equity share capital of the Company as at March 31, 2016, was ₹ 41 lacs. During the F.Y., there was no change in the issued, subscribed and paid up share capital of the Company.

## RESERVES

In view of losses for the year, no amount has been transferred to reserves.

## FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

## EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and Companies (Management and Administration) Rules, 2014 framed thereunder, is annexed as **Annexure 'A'**.

## DIRECTORS

In accordance with the provisions of Section 152 of the Act, Mr. Venkatavarathan Iyengar is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible offers himself for re-appointment.

During the F.Y., there was no change in the constitution of the Board of Directors ("the Board") of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- 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 as at March 31, 2016, and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### NUMBER OF MEETINGS OF THE BOARD

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met Seven (7) times viz. May 14, 2015, June 1, 2015, August 8, 2015, September 1, 2015, October 6, 2015, December 9, 2015, February 12, 2016.

#### Attendance of the Directors:

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Mr. Venkatavarathan Iyengar	7	7
2	Mr. Deepak Shirke	7	7
3	*Mr. Francis Fernandes	7	2
4	**Mr. Minesh Shah	7	5

\*Mr. Francis Fernandes ceased to be a Director w.e.f. June 1, 2015.

\*\*Mr. Minesh Shah was appointed as a Director w.e.f. June 1, 2015.

#### STATUTORY AUDITORS

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Statutory Auditors of your Company, who retire at the ensuing AGM of the Company are eligible for appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

#### EXPLANATION ON AUDITORS' REPORT

There are no qualifications, reservations, adverse remarks or disclaimers made by Auditors in their Report dated May 27, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

#### INTERNAL FINANCIAL CONTROL

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

There are no particulars of the loans given, investments made, guarantees given and securities provided by the Company and that the provisions of section 186 of the Act are not attracted and hence the disclosure in the financial statements is not provided.

#### RELATED PARTY TRANSACTIONS

During the F.Y., there were no related party transactions.

#### RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organisation.

The Board has in place a Risk Management Policy to manage risk through a detailed policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the F.Y.

During the F.Y., the Company has neither earned nor used any foreign exchange.

**REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

**INFORMATION OF MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 27, 2016, being the date of this report.

**APPRECIATION**

Your Directors express their sincere thanks to the Business Associates and Government authorities for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 27, 2016

**Venkatavarathan Iyengar** **Deepak Shirke**  
**Director** **Director**  
**DIN: 00418374** **DIN: 07108915**

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U70100MH2004PTC136339
2. Registration Date	September 29, 2004
3. Name of the Company	Mazda Estates Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	3 <sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Tel: + 91 22 6788 7000 Fax: +91 22 6788 9090 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S r. No.	Name of Company	Address of Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	100.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	4,10,000	4,10,000	100.00	-	4,10,000	4,10,000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>4,10,000</b>	<b>4,10,000</b>	<b>100.00</b>	-	<b>4,10,000</b>	<b>4,10,000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-

## ANNEXURE 'A'

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	-	<b>4,10,000</b>	<b>4,10,000</b>	<b>100.00</b>	-	<b>4,10,000</b>	<b>4,10,000</b>	<b>100.00</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>4,10,000</b>	<b>4,10,000</b>	<b>100.00</b>	-	<b>4,10,000</b>	<b>4,10,000</b>	<b>100.00</b>	-

## (ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	4,10,000	100.00	-	4,10,000	100.00	-	-
	<b>Total</b>	<b>4,10,000</b>	<b>100.00</b>	<b>-</b>	<b>4,10,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year:	-	-	-	-
	Date wise increase/ (decrease) in Promoters Shareholding during the year specifying the reason for increase/ (decrease):	-	-	-	-
	At the end of the year:	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Mr. Venkatavarathan Iyengar	-	-	-	-
2	Mr. Deepak Shirke	-	-	-	-
3	*Mr. Francis Fernandes	-	-	-	-
	<b>Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase / (decrease) (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>	-	-	-	-
	<b>At the end of the year: Directors and KMP:</b>				
1	Mr. Venkatavarathan Iyengar	-	-	-	-
2	Mr. Deepak Shirke	-	-	-	-
3	**Mr. Minesh Shah	-	-	-	-

\*Mr. Francis Fernandes ceased to be a Director w.e.f. June 1, 2015.

\*\*Mr. Minesh Shah was appointed as a Director w.e.f. June 1, 2015.

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:**

Particulars	(₹ in Lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager: N.A. (A)****B. Remuneration to other Directors: NIL****C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: N.A.****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 27, 2016**Venkatavarathan Iyengar**  
Director  
DIN: 00418374**Deepak Shirke**  
Director  
DIN: 07108915

# INDEPENDENT AUDITORS' REPORT

To the Members of **MAZDA ESTATES PRIVATE LIMITED,**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **MAZDA ESTATES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No.: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
Date : May 27, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on March 31, 2016 of MAZDA ESTATES PRIVATE LIMITED:**

- (i) The Company does not have any fixed assets and therefore the provisions of clause (i) of paragraph 3 of the Order are not applicable to the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service-Tax, VAT, cess and other material applicable statutory dues have generally been regularly deposited with the appropriate authorities and as on March 31, 2016, no such dues were outstanding for a period of more than six months from the date they became payable.  
 (b) In our opinion and according to the information and explanations given to us by the management there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty and Excise duty, VAT and Cess, which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of any dues to Banks, Financial Institutions or Debenture Holders and accordingly the provisions of clause (viii) of the paragraph 3 of the Order, are not applicable to the Company.
- (ix) The Company has not raised funds through initial public offer or further public offer (including debt instruments) and term loans during the financial year.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company or its Employees or Officers has been noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause (xi) of the Paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Companies Act, 2013 and hence the provisions under clause (xii) of the Paragraph 3 of the Order are not applicable.
- (xiii) According to the information and assertions given to us by the management, the Company has not had any related party transactions during the Financial Year and hence compliance under Section 177 and Section 188 of the Act is not applicable.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Thar & Co.**,  
 Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
 Date : May 27, 2016

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAZDA ESTATES PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Thar & Co.**

Chartered Accountants

Firm's Registration No.: 110958W

**Jayesh R.Thar**

**Partner**

**Membership No.: 032917**

Place: Mumbai

Date : May 27, 2016

**BALANCE SHEET AS AT**

		(₹ in Lacs)			
Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	41.00		41.00	
Reserves and Surplus	3	(3.09)	37.91	(2.70)	38.30
<b>(2) Current Liabilities</b>					
Other current liabilities	4		4.66		4.28
<b>Total</b>			<b>42.57</b>		<b>42.58</b>
<b>II. ASSETS</b>					
<b>(1) Current assets</b>					
Inventories	5	42.06		42.06	
Cash and bank balances	6	0.51	42.57	0.52	42.58
<b>Total</b>			<b>42.57</b>		<b>42.58</b>
<b>Significant accounting policies</b>	1				
(Accompanying notes are an integral part of the financial statements)					

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

**Venkatavarthan Iyengar**

(Director)

**Deepak M. Shirke**

(Director)

Place : Mumbai

Date : May 27, 2016

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

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		(₹ in Lacs)	
Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Revenue from operations		-	-
<b>Total Revenue</b>		<b>-</b>	<b>-</b>
<b>Expenses:</b>			
Changes in inventories of work-in-progress	7	-	-
Other expenses	8	0.39	1.89
<b>Total Expenses</b>		<b>0.39</b>	<b>1.89</b>
Loss before tax		<b>(0.39)</b>	<b>(1.89)</b>
Tax expense:			
Current tax		-	-
Deferred tax charge / (credits)		-	-
<b>Loss for the year</b>		<b>(0.39)</b>	<b>(1.89)</b>
<b>Earnings per equity share of ₹ 10/-</b>			
Basic	14	(0.10)	(3.62)
Diluted		(0.10)	(3.62)
<b>Significant accounting policies</b>			
(Accompanying notes are an integral part of the financial statements)			
	1		

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

**Venkatavarthan Iyengar**

(Director)

**Deepak M. Shirke**

(Director)

Place : Mumbai

Date : May 27, 2016

# CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
<b>A Cash flow from operating activities</b>				
Net profit before tax		(0.39)		(1.89)
Adjustments		-		-
Operating profit before working capital changes		(0.39)		(1.89)
Movements in working capital :				
Decrease / (Increase) in inventories		-		-
(Decrease) / Increase in trade and other current liabilities		0.38		3.36
Net movement in working capital		0.38		3.36
Cash used in operations		(0.01)		1.47
Less : Direct taxes paid (net of refund)		-		-
Net cash used in operating activities		(0.01)		1.47
<b>B Cash flows from investing activities</b>		-		-
Net cash used in investing activities		-		-
<b>C Cash flows from financing activities</b>				
Proceeds from issue of equity shares		-		36.00
Repayment of borrowings		-		(37.47)
Net cash from financing activities		-		(1.47)
Net increase in cash and cash equivalents (A + B + C)		(0.01)		-
Cash and cash equivalents at the beginning of the year		0.52		0.52
Cash and cash equivalents at the end of the year		<u>0.51</u>		<u>0.52</u>
<b>Components of cash and cash equivalents as at</b>		<b>31-Mar-2016</b>		<b>31-Mar-2015</b>
Cash on hand		0.37		0.38
With banks - on current account		0.14		0.14
		<u>0.51</u>		<u>0.52</u>

## Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

**Venkatavarthan Iyengar**

(Director)

**Deepak M. Shirke**

(Director)

Place : Mumbai

Date : May 27, 2016

# NOTES ON THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES:

- a) These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### c) Inventories:

Work-in-progress : Lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses and borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyancing and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### d) Revenue recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Unit in real estate:

Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

### e) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

### f) Income taxes:

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### g) Segment reporting policies:

The main business of the Company is real estate development and construction of residential and commercial properties, infrastructure facilities in India and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting".

## NOTES ON THE FINANCIAL STATEMENTS

### h) Earnings per share:

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### i) Provisions, contingent liabilities and contingent assets:

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(₹ in Lacs)

Particulars	As at			
	March 31, 2016	March 31, 2015		
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
4,50,000 (Previous year 4,50,000) Equity shares of ₹10/- each	<b>45.00</b>	<b>45.00</b>		
<b>Issued, Subscribed and Paid Up</b>				
4,10,000 (Previous year 4,10,000) Equity shares of ₹10/- each fully paid	41.00	41.00		
<b>Total</b>	<b>41.00</b>	<b>41.00</b>		
<b>Reconciliation of the number of shares outstanding :</b>				
<b>Particulars</b>	<b>Number</b>	<b>Number</b>		
Shares outstanding at the beginning of the year	4,10,000	50,000		
Shares Issued during the year	-	3,60,000		
Shares bought back during the year	-	-		
<b>Shares outstanding at the end of the year</b>	<b>4,10,000</b>	<b>4,10,000</b>		
<b>Terms / rights attached to shares :</b>				
The Company has only one class of shares i.e. equity shares of ₹ 10/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.				
<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>				
<b>Particulars</b>	<b>No.</b>	<b>%held</b>	<b>No.</b>	<b>%held</b>
Housing Development and Infrastructure Limited - holding Company	4,10,000	100%	4,10,000	100%

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
Particulars	As at March 31, 2016	As at March 31, 2015	
<b>3 RESERVE AND SURPLUS</b>			
<b>Surplus in the Statement of Profit and Loss</b>			
Opening Balance	(2.70)	(0.81)	
Less : (Net Loss) for the current year	(0.39)	(1.89)	
<b>Closing Balance</b>	<b>(3.09)</b>	<b>(2.70)</b>	
<b>4 OTHER CURRENT LIABILITIES</b>			
Other payable	4.66	4.28	
<b>Total</b>	<b>4.66</b>	<b>4.28</b>	
<b>5 INVENTORIES</b>			
Work -in-progress (lower of cost or net realisable value)	42.06	42.06	
<b>Total</b>	<b>42.06</b>	<b>42.06</b>	
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.			
<b>6 CASH AND BANK BALANCES</b>			
Cash and Cash equivalents			
Cash on hand	0.37	0.38	
Balance with banks - In current accounts	0.14	0.14	
<b>Total</b>	<b>0.51</b>	<b>0.52</b>	
Particulars	Year ended March 31, 2016	Year ended March 31, 2015	
<b>7 CHANGES IN WORK - IN PROGRESS</b>			
Opening work-in-progress	42.06	42.06	
Less : Closing work-in-progress	42.06	42.06	
<b>Total</b>	<b>-</b>	<b>-</b>	
<b>8 OTHER EXPENSES</b>			
Sundry expenses	-	0.07	
Printing and stationery	-	0.01	
Professional fees	0.09	0.08	
Profession tax	0.03	0.23	
Expenses for increase in authorised share capital	-	1.28	
Remuneration to auditors			
Audit fees	0.17	0.17	
Filing fees paid to the Registrar of Companies	0.10	0.05	
<b>Total</b>	<b>0.39</b>	<b>1.89</b>	
<b>9</b> Contingent liabilities not provided for	Nil	Nil	
<b>10</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil	
<b>11</b> Value of imports on C. I. F. basis	Nil	Nil	
<b>12</b> Earnings in foreign exchange	Nil	Nil	
<b>13</b> Expenditure in foreign currency	Nil	Nil	

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
		Year ended March 31, 2016	Year ended March 31, 2015
<b>14</b>	Earnings per equity share:		
a.	Loss attributable to equity shareholders		
	Loss for the year	₹ (0.39)	(1.89)
		₹ <b>(0.39)</b>	<b>(1.89)</b>
b.	weighted average number of equity shares of ₹ 10/- each fully paid	Nos. 4,10,000	51,973
c.	EPS - Basic	₹ (0.10)	(3.62)
	- Diluted	₹ (0.10)	(3.62)

## 15 Related party disclosure

List of related parties with whom transactions have taken place during the current accounting year and relationship:

- Housing Development and Infrastructure Limited - holding Company
- Key management personnel :  
Not applicable
- Enterprise significantly influenced by key management personnel  
Not applicable
- Transactions with related party

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates	Key Management Personnel	Total	Holding Company	Associates	Key Management Personnel	Total
Loans/advances repaid	-	-	-	-	37.47	-	-	37.47

Disclosure in respect of material transactions with related parties during the year	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances repaid</b>		
Housing Development and Infrastructure Limited	-	37.47

## 16 Nature of operations

The Company is engaged in the business of real estate development.

## 17 Previous year figures have been reclassified to conform to this year's classification.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

**Venkatavarthan Iyengar**

(Director)

**Deepak M. Shirke**

(Director)

Place : Mumbai

Date : May 27, 2016

## NOTICE

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of **PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED** will be held on Thursday, September 15, 2016 at 2:00 p.m. at Registered Office of the Company situated at 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sarang Wadhawan (DIN: 00028608), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and upon recommendation of the Audit Committee, M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Thirty Third AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **Privilege Power and Infrastructure Private Limited**

**Rakesh Kumar Wadhawan**

**Director**

**DIN: 00028573**

Place: Mumbai

Date : May 27, 2016

**NOTES**

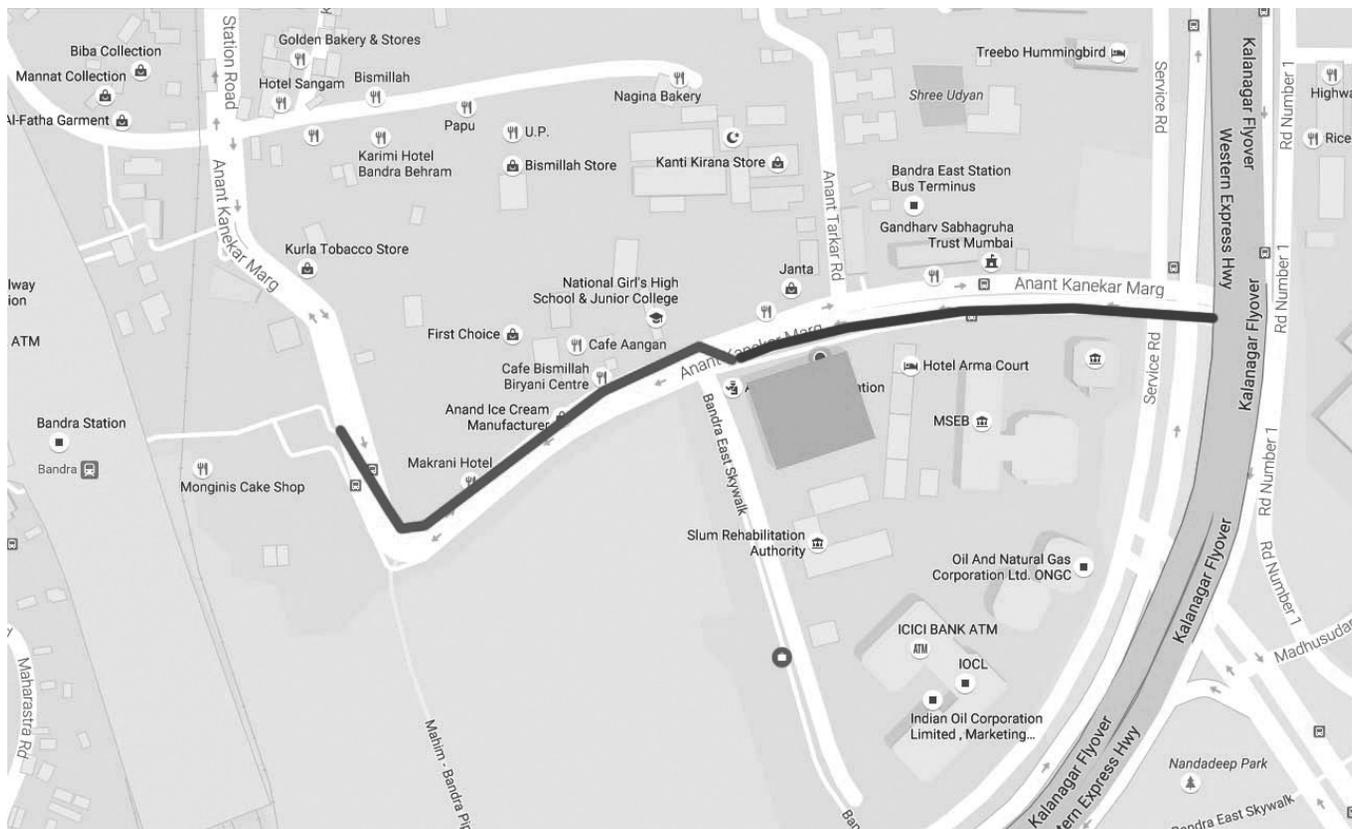
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.

A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 (“the Act”), are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. A Route map showing directions to reach the venue of the 32<sup>nd</sup> AGM is given at the end of this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

### BACKGROUND AND OPERATIONS

Your Company is a wholly owned subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate activities, developing, operating and maintaining infrastructure facilities.

#### Project:

Your Company holds one of the largest land-bank admeasuring upto 572 acres located in Virar. It plans to launch one of India's largest affordable housing schemes and offers the smart-city plan with premium lifestyle on the periphery of Mumbai and necessary approvals pertaining to environment clearances are awaited.

### FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016 as compared to the previous F.Y. is summarised below:

Particulars	(₹ In Lacs)	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	<b>347.05</b>	<b>200.33</b>
Profit before finance cost, depreciation, amortisation and taxation	12,372.26	13,789.79
*Finance Cost	12,188.38	13,713.79
Depreciation and Amortization	8.39	11.95
<b>Operational profit before tax</b>	<b>175.49</b>	<b>64.05</b>
Less: Tax Expenses	52.81	2.54
<b>Profit for the year</b>	<b>122.68</b>	<b>61.51</b>
Balance brought forward	691.88	658.44
Add: Other adjustments	(4.58)	28.07
Profit available for appropriation	809.98	691.88
<b>Closing Balance</b>	<b>809.98</b>	<b>691.88</b>
<b>Net Worth</b>	<b>36,040.30</b>	<b>35,922.21</b>

\*Forms part of the work-in-progress.

### STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

Your Company has earned ₹ 347.05 lacs revenue during the year as against ₹ 200.33 lacs in the previous year and the Company has made Profit of ₹ 122.68 lacs during the year as against Profit of ₹ 61.51 lacs in the previous year. The Directors are hopeful for a better performance in the upcoming years.

### DIVIDEND

To conserve the resources, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

### SHARE CAPITAL

The paid-up equity share capital of the Company as at March 31, 2016, was ₹ 16,105 lacs. During the F.Y., there was no change in the issued, subscribed and paid-up share capital of the Company.

### RESERVES

The Board of Directors ("**the Board**") have not recommended transfer of any amount of profit to reserves during the F.Y. Hence, the entire amount of profit for the F.Y. has been carried forward to the surplus in the Statement of Profit and Loss.

### FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("**the Act**") and the Companies (Acceptance of Deposits) Rules, 2014.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

### PARTICULARS OF EMPLOYEES

Your Directors place on record their appreciation for the contribution made by the employees of the Company at all levels. Relations between employees and the Management continued to be cordial during the year.

### REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to provide and promote a safe and healthy work environment for all its employees.

Your Company has in place a 'Prevention of Sexual Harassment' ("**POSH**") policy that is in line with the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules framed thereunder for prevention

and redressal of complaints pertaining to sexual harassment at workplace and a structured reporting and redressal mechanism is in place. During F.Y. 2015-16, your Company has not received any complaint on sexual harassment.

#### DIRECTORS

In accordance with the provisions of Section 152 of the Act, Mr. Sarang Wadhawan is liable to retire by rotation at the ensuing Annual General Meeting (“AGM”) of the Company and being eligible offers himself for re-appointment.

In accordance with the provisions of Section 203 of the Act, the Board of Directors at its Meeting held on May 14, 2015, had appointed Ms. Nirali Shah as a Company Secretary, Key Managerial Personnel (“KMP”) of the Company and subsequently, she resigned on March 30, 2016, due to personal commitments. The Board of Directors place on record its appreciation for the significant contributions made by her during her tenure as a Company Secretary of the Company.

Your Company received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of Independence as prescribed by Section 149(6) of the Act.

During the F.Y., there was no change in the constitution of the Board of Directors of the Company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2016, and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### NUMBER OF MEETINGS OF THE BOARD

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met eight (8) times viz. on May 14, 2015, June 19, 2015, July 10, 2015, August 8, 2015, October 6, 2015, December 9, 2015, February 13, 2016 and March 30, 2016.

#### Attendance of the Directors:

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Mr. Rakesh Kumar Wadhawan	8	8
2	Mr. Sarang Wadhawan	8	8
3	Mr. Ashok Kumar Gupta	8	8
4	Mrs. Sandhya Baliga	8	4
5	Mr. Hazari Lal	8	4

#### COMMITTEES OF THE BOARD

Your Company has following committees of the Board, which are in place in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee

#### AUDIT COMMITTEE

The Audit Committee comprises of following Directors:

- Mr. Hazari Lal - Chairman
- Mr. Sarang Wadhawan - Member
- Mrs. Sandhya Baliga - Member

During the F.Y., the Audit Committee met four (4) times viz. on May 14, 2015, August 8, 2015, October 6, 2015 and February 13, 2016.

All the recommendations made by the Audit Committee were accepted by the Board.

**Attendance of the Members of Audit Committee:**

Sr. No.	Name of the Member	Number of Audit Committee Meetings	
		Held	Attended
1	Mr. Hazari Lal	4	4
2	Mr. Sarang Wadhawan	4	4
3	Mrs. Sandhya Baliga	4	4

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of following Directors:

- Mrs. Sandhya Baliga - Chairperson
- Mr. Sarang Wadhawan - Member
- Mr. Hazari Lal - Member

During the F.Y., the Nomination and Remuneration Committee passed a Circular Resolution dated May 14, 2015, which was assented by all the Members of the Committee.

**STATUTORY AUDITORS**

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Statutory Auditors of your Company, who retire at the ensuing AGM are eligible for appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

**EXPLANATION ON AUDITORS' REPORT**

As regards the observation by the Auditor in the Auditor's Report regarding delay in payment of Statutory dues and delay in payment of Interest to Banks the Company will take remedial measures to ensure non-occurrence of such event in future.

There are no qualifications, reservations, adverse remarks or disclaimers made by Auditors in their Report dated May 27, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

**SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SG & Associates, Company Secretaries (C.P. No. 5722) ("**Secretarial Auditor**") to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure 'B'**.

There were observations made by Secretarial Auditor in their Report dated May 25, 2016, on the Secretarial and other related records of the Company for the F.Y. 2015-16. Pursuant to the provisions of Section 203 of the Act and the Rules made thereunder, the Company is required to appoint Chief Financial Officer. The Company has confirmed that the Management is in the process of making such appointments.

**INTERNAL FINANCIAL CONTROL**

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Pursuant to Section 186 of the Act, particulars of the loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security is proposed to be utilised by such recipient are provided under respective notes in Financial Statements.

**RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties during the F.Y. were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act, are not attracted and hence the disclosure in Form AOC 2 is not required.

Suitable disclosures as required under AS-18 have been made in Note 26 of the Notes to the financial statements.

**RISK MANAGEMENT**

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board has in place a Risk Management Policy to manage risk through a detailed policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

**VIGIL MECHANISM**

Your Company has a Vigil Mechanism for their Directors and employees to report their genuine concerns or grievances and also a formal Whistle Blower Policy to report genuine concerns or grievance is in place.

Your Company assures cognizance of complaints made and suggestions given by the employees. Even anonymous complaints will be looked into and whenever necessary, suitable corrective steps will be taken.

#### **NOMINATION AND REMUNERATION POLICY**

The Company has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, KMP and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors.

The detailed policy is annexed as **Annexure 'C'**.

#### **EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its performance of the Directors individually as well as the evaluation of the working of its Committees.

#### **PERFORMANCE EVALUATION**

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as under:

##### **Role of Accountability:**

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

##### **Objectivity:**

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

##### **Leadership and Initiative:**

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

##### **Personal Attributes:**

- Commitment to role and fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the F.Y.

During the F.Y., the Company has neither earned nor used any foreign exchange.

#### **REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

#### **INFORMATION OF MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 27, 2016, being the date of this report.

#### **APPRECIATION**

Your Directors express their sincere thanks to the Business Associates, Banks, Government Authorities and Employees for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 27, 2016

**Rakesh Kumar Wadhawan**  
Director  
DIN: 00028573

**Sarang Wadhawan**  
Director  
DIN: 00028608

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U65990MH1984PTC033927
2. Registration Date	September 4, 1984
3. Name of the Company	Privilege Power and Infrastructure Private Limited
4. Category/Sub-category of the Company	Company limited by Shares, Indian non-Government Company
5. Address of the Registered office and contact details	3 <sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Tel: +91 22 2658 3500 Fax: +91 22 2658 3535 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service (NIC 2008)	% to total turnover of the Company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	100.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1,61,05,000	1,61,05,000	100.00	-	1,61,05,000	1,61,05,000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>1,61,05,000</b>	<b>1,61,05,000</b>	<b>100.00</b>	-	<b>1,61,05,000</b>	<b>1,61,05,000</b>	<b>100.00</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>1,61,05,000</b>	<b>1,61,05,000</b>	<b>100.00</b>	-	<b>1,61,05,000</b>	<b>1,61,05,000</b>	<b>100.00</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1,61,05,000	1,61,05,000	100.00	-	1,61,05,000	1,61,05,000	100.00	-

## (ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	1,61,05,000	100.00	-	1,61,05,000	100.00	-	-
	<b>Total</b>	<b>1,61,05,000</b>	<b>100.00</b>	<b>-</b>	<b>1,61,05,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>At the beginning of the year: Directors and KMP:</b>					
1	Mr. Rakesh Kumar Wadhawan	-	-	-	-
2	Mr. Ashok Kumar Gupta	-	-	-	-
3	Mr. Sarang Wadhawan	-	-	-	-
4	Mrs. Sandhya Baliga	-	-	-	-
5	Mr. Hazari Lal	-	-	-	-
<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>					
<b>At the end of the year: Directors and KMP:</b>					
1	Mr. Rakesh Kumar Wadhawan	-	-	-	-
2	Mr. Ashok Kumar Gupta	-	-	-	-
3	Mr. Sarang Wadhawan	-	-	-	-
4	Mrs. Sandhya Baliga	-	-	-	-
5	Mr. Hazari Lal	-	-	-	-

Note: Ms. Nirali Shah was appointed as a Company Secretary w.e.f. May 14, 2015 and subsequently, she ceased to be a Company Secretary w.e.f. March 30, 2016 and during this period, she did not hold any Shares of the Company.

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	82,906.02	-	-	82,906.02
ii) Interest due but not paid	2,866.74	-	-	2,866.74
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>85,772.76</b>	-	-	<b>85,772.76</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	12,749.81	-	-	12,749.81
• Reduction	21,693.12	-	-	21,693.12
<b>Net Change</b>	<b>(8,943.31)</b>	-	-	<b>(8,943.31)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	73,474.44	-	-	73,474.44
ii) Interest due but not paid	3,355.01	-	-	3,355.01
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>76,829.45</b>	-	-	<b>76,829.45</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****(A) Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL (A)****(B) Remuneration to other Directors:**

(₹ in Lacs)					
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		<b>1</b>	<b>Independent Directors</b>	<b>Mrs. Sandhya Baliga</b>	
	Fee for attending Board / Committee Meetings	0.40	0.40		0.80
	Commission	-	-		-
	Others, please specify	-	-		-
	<b>Total (1)</b>	<b>0.40</b>	<b>0.40</b>		<b>0.80</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Mr. Rakesh Kumar Wadhawan</b>	<b>Mr. Sarang Wadhawan</b>	<b>Mr. Ashok Kumar Gupta</b>	<b>-</b>
	Fee for attending Board / Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1+2)</b>				<b>0.80</b>
	Ceiling as per the Act	₹ 5.29 lacs (being 3% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)			
	<b>Total Managerial Remuneration = (A+B)</b>				<b>0.80</b>
	Overall Ceiling as per the Act	₹ 19.39 lacs (being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)			

**(C) Remuneration to Key Managerial Personnel other than MD / Manager / WTD: NIL****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 27, 2016
**Rakesh Kumar Wadhawan**  
 Director  
 DIN: 00028573

**Sarang Wadhawan**  
 Director  
 DIN: 00028608

**ANNEXURE 'B'****Form No. MR-3****Secretarial Audit Report for the Financial Year ended March 31, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

**The Members,**

**Privilege Power and Infrastructure Private Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Privilege Power And Infrastructure Private Limited (hereinafter called "**the Company**").

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, Minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2016 has complied with the statutory provisions and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

I. The Companies Act, 2013 ("**the Act**") and the rules made thereunder;

As per Management Representation Letter following are the laws applicable to Company:

I. The Environment (Protection) Act, 1986 and Rules thereunder;

II. The Water (Prevention & Control of Pollution) Act, 1974;

III. The Air (Prevention & Control of Pollution) Act, 1981;

IV. The Factories Act, 1948 and Rules thereunder;

V. All other Labour, Employee and Industrial Laws to the extent applicable to the Company and

VI. Sexual Harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review and as per the explanations and representations made by the Management and subject to clarifications given to me, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.,

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board & Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

All the decisions were carried out unanimously by the Members of the Board and Committees and the same were duly recorded in the Minutes of the Meeting of the Board of Directors and Committees of the Company.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

i. Public / Preferential issue of shares / debentures / sweat equity;

ii. Redemption / buy-back of securities;

iii. Merger / amalgamation / reconstruction etc and

iv. Foreign technical collaborations.

**Observations:**

*The Company is required to appoint Chief Financial Officer as required under Section 203 of the Act and the Rules made thereunder. (The Company Officials have confirmed that the Company is in the process of making such appointments thereof).*

**For SG and Associates,**

**Suhas Ganpule,  
Proprietor,**

**Membership No: 12122  
C. P. No: 5722**

Place: Mumbai

Date : May 25, 2016

# ANNEXURE 'C'

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company.

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated and approved by the Board of Directors at its Meeting held on March 14, 2015.

### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- that the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- to carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- to lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz. Executive, Non-Executive and Independent Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being and such other Rules / Regulations, as may be notified by MCA from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### DEFINITIONS

In this policy unless the context otherwise requires:

**"Act"** shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

**"Board of Directors"** or **"Board"** in relation to the Company means the collective body of the Directors of the Company.

**"Company"** means Privilege Power and Infrastructure Private Limited.

**"Directors"** means Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** (KMP) in relation to a Company means,

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed under the Act.

“Senior Management Personnel” mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee shall have minimum three Directors as Members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of the following Directors:

- |    |                     |  |             |
|----|---------------------|--|-------------|
| 1) | Mrs. Sandhya Baliga | Non-Executive Independent Director     | Chairperson |
| 2) | Mr. Hazari Lal      | Non-Executive Independent Director     | Member      |
| 3) | Mr. Sarang Wadhawan | Non-Executive Non-Independent Director | Member      |

The Board has the power to reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

#### **ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE**

The role of the Committee *inter-alia* will be the following:

- identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performances;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- devising a policy on Board diversity;
- formulation of criteria for evaluation of Independent Directors and the Board;
- ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors and
- decide / approve details of fixed components and performance linked incentives along with criteria.

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

##### **(i) Appointment criteria and qualifications:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

##### **(ii) Term / Tenure:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly and
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

##### **(iii) Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

##### **(iv) Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

**(v) Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT**

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board Meeting minutes.

**i. Remuneration to Whole-time / Executive / Managing Director****Fixed pay:**

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break- up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

**Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**Provisions for excess remuneration:**

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**ii. Remuneration / Commission to Non-Executive / Independent Director****Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**Sitting Fees:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 10,000/- per Meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

**Commission:**

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 3% of the profits of the Company computed as per the applicable provisions of the Act, if there are no Managing or Whole-Time Director of the Company.

In case, where the Company has appointed Managing or Whole-Time Director then Commission shall be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**REVIEW**

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

\*\*\*\*\*

# INDEPENDENT AUDITORS' REPORT

To the Members of **PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED,**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 28 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No.: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
Date : May 27, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on March 31, 2016 of PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All the Fixed Assets have been physically verified by the management in a phased manner, over a period of one year, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable property are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-Tax, Sales-tax, Service Tax, duty of customs, duty of excise, Value Added Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding as on March 31, 2016 for a period of more than six months from the date they become payable, except below mentioned:

Nature of dues (including interest)	₹ in Lakhs
Service Tax	45.10

- (b) According to the information and explanations given to us, there are no material dues of Service Tax, Value Added Tax, which have not been deposited with the appropriate authorities on account of any dispute except following Income-tax demand:

Assessment Year	Income Tax Demand (₹ in Lakhs)
2012-13	34.61

- (viii) As per the information and explanations furnished to us and our verification of records of the Company, the Company has delayed in repayment of dues to Banks of ₹ 3,493.00 Lakhs towards interest.
- (ix) The Company has not raised money through initial public offers or further public offers or debt instruments during the financial year. However the term loans raised during the year has been applied by the Company for the purpose for which they were raised.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company or any of its employees or officers were noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause (xi) of the paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Companies Act, 2013 and hence the provisions under clause (xii) of the paragraph 3 of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, and where applicable the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Thar & Co.,**  
 Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**  
 Partner  
 Membership No.: 032917

Place : Mumbai  
 Date : May 27, 2016.

# ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PRIVILEGE POWER AND INFRASTRUCTURE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Thar & Co.**

Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R. Thar**

**Partner**

**Membership No.: 032917**

Place : Mumbai

Date : May 27, 2016

**BALANCE SHEET AS AT**

(₹ in Lacs)

Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	16,105.00		16,105.00	
Reserves and Surplus	3	19,935.31	36,040.31	19,817.21	35,922.21
<b>(2) Non-Current Liabilities</b>					
Long-term borrowings	4	73,474.44		82,906.03	
Long term provisions	5	3.64	73,478.08	3.16	82,909.19
<b>(3) Current Liabilities</b>					
Trade payables	6	637.07		863.93	
Other current liabilities	7	24,996.09		29,410.67	
Short-term provisions	8	62.90	25,696.06	17.71	30,292.31
<b>Total</b>			<b>1,35,214.45</b>		<b>1,49,123.71</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Fixed assets					
Tangible assets	9	35.21		43.60	
Non-current investments	10	39.25		39.25	
Deferred tax assets (net)	11	10.38		8.97	
Long term loans and advances	12	11.91	96.75	16.85	108.67
<b>(2) Current assets</b>					
Inventories	13	1,07,106.34		78,552.83	
Trade receivables	14	225.42		217.57	
Cash and bank balances	15	68.62		151.30	
Short-term loans and advances	16	27,717.32	1,35,117.70	70,093.34	1,49,015.04
<b>Total</b>			<b>1,35,214.45</b>		<b>1,49,123.71</b>
<b>Significant accounting policies</b>	1				

(Accompanying notes are an integral part of the financial statements)

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

Place : Mumbai

Date : May 27, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Ashok Kumar Gupta**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Revenue from operations	17	343.76	193.07
Other Income	18	3.29	7.26
<b>Total Revenue</b>		<b>347.05</b>	<b>200.33</b>
<b>Expenses:</b>			
Cost of materials consumed	19	16,327.27	1,485.15
Changes in inventories of finished goods and work-in-progress	20	(28,553.51)	(15,214.46)
Employee benefit expense	21	83.06	67.61
Finance costs	22	12,188.38	13,713.79
Depreciation and amortization expense	9	8.38	11.95
Other Expenses	23	117.98	72.24
<b>Total Expenses</b>		<b>171.56</b>	<b>136.28</b>
Profit before tax		175.49	64.05
Tax expense:			
Current tax		54.23	13.55
Deferred tax charge/(credit)		(1.42)	(11.01)
		<b>52.81</b>	<b>2.54</b>
<b>Profit for the year</b>		<b>122.68</b>	<b>61.51</b>
<b>Earnings per equity share of ₹ 100/-</b>			
Basic	24	0.73	0.22
Diluted		0.73	0.22
<b>Significant accounting policies</b>	1		
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

Place : Mumbai

Date : May 27, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Ashok Kumar Gupta**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

# CASH FLOW STATEMENT FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

Particulars	(₹ in Lacs)	
	March 31, 2016	March 31, 2015
<b>A Cash flow from operating activities</b>		
Net profit before tax	175.49	64.05
Adjustments for :		
Depreciation	8.38	11.95
Interest expenses	12,188.38	13,713.79
Investment Income	(3.00)	(3.00)
Operating profit before working capital changes	12,193.76	13,722.74
Adjustments for :		
Decrease / (Increase) in inventory	(28,553.51)	(15,214.46)
Decrease / (Increase) in Trade receivables	(7.85)	15.04
Decrease / (Increase) in other receivables	42,380.97	18,728.49
(Decrease) / Increase in provisions	4.37	4.30
(Decrease) / Increase in trade and other current liabilities	(4,641.44)	11,115.66
Net movement in working capital	9,182.54	14,649.03
Cash generated from operations	21,551.79	28,435.82
Less : Direct taxes paid (net of refunds)	17.51	2.30
<b>Net cash from operating activities</b>	<b>21,534.28</b>	<b>28,433.52</b>
<b>B Cash flows from investing activities</b>		
Purchase of fixed assets	-	(0.07)
Investment income	3.00	3.00
<b>Net cash from investing activities</b>	<b>3.00</b>	<b>2.93</b>
<b>C Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	2,486.25
Share issue expenses written off	-	(10.50)
Proceeds from borrowings	561.44	-
Repayment of borrowings	(9,993.02)	(17,263.09)
Interest paid	(12,188.38)	(13,713.79)
Net cash from financing activities	(21,619.96)	(28,501.13)
Net increase in cash and cash equivalents (A + B + C)	(82.68)	(64.68)
Cash and cash equivalents at the beginning of the year	151.30	215.98
Cash and cash equivalents at the end of the year	<b>68.62</b>	<b>151.30</b>
<b>Components of cash and cash equivalents as at</b>	<b>31-Mar-2016</b>	<b>31-Mar-2015</b>
Cash on hand	14.80	14.80
With banks - on current account	51.55	134.41
In Fixed deposit account	2.27	2.09
	<b>68.62</b>	<b>151.30</b>

## Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- Figures in the brackets indicate outflow.

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

Place : Mumbai

Date : May 27, 2016

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For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Ashok Kumar Gupta**

(Director)

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

# NOTES ON THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES:

### A i) Basis of preparation

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### ii) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### B Fixed assets

Fixed assets are stated at cost of acquisition or construction net of recoverable taxes, trade discounts, rebates, depreciation accumulated and accumulated impairment losses. All costs relating to the acquisition and installation of fixed assets are capitalised and includes borrowing costs relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

### C Method of Depreciation and amortisation

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act, 2013.

### D Investments

Investments that are readily realisable and are intended to be held for not more than a year from the date, on which such investments are made, are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost. Provision for diminution in value of long term investment is made to recognise a decline other than temporary as specified in Accounting Standard (AS 13) on "Accounting for Investments".

### E Inventories

Inventories are valued as follows:

Finished goods : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing costs and other related overheads as the case may be.

Work-in-progress : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses, borrowing costs and other related overheads. Cost incurred / items purchased specifically for projects are taken as consumed as and when incurred / received.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### F Revenue recognition

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows

## NOTES ON THE FINANCIAL STATEMENTS

completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

### Sale

- a) Unit in real estate  
Revenue is recognised when the significant risks and rewards of ownership of the units in real estates have passed to the buyer.
- b) Rent and License fee  
Revenue is recognised on accrual basis.
- c) Dividends  
Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

### G Employees retirement benefits

- a) Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as and when incurred.
- b) Defined Benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The Company has an obligation to make good the shortfall, if any.
- c) Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.
- d) Termination benefits are recognised as and when incurred.

### H Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

### I Leases

Where the Company is the lessor

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Recurring costs are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised in the Statement of Profit and Loss.

### J Income taxes

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### K Segment reporting policies

The main business of the Company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities in India and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

### L Earnings per share

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

## NOTES ON THE FINANCIAL STATEMENTS

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **M Impairment**

- (i) The carrying amounts of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- (ii) After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- (iii) A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined has no impairment loss been recognised.

### **N Provisions, contingent liabilities and contingent assets**

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)			
Particulars		As at March 31, 2016		As at March 31, 2015	
<b>2</b>	<b>SHARE CAPITAL</b>				
	<b>Authorised</b>				
	1,61,05,000 (Previous year 1,61,05,000) Equity shares of ₹ 100/- each	<b>16,105.00</b>		<b>16,105.00</b>	
	<b>Issued, Subscribed and Paid Up</b>				
	1,61,05,000 (Previous year 1,61,05,000) Equity shares of ₹ 100/- each fully paid up	16,105.00		16,105.00	
	<b>Total</b>	<b>16,105.00</b>		<b>16,105.00</b>	
	<b>Reconciliation of the number of shares outstanding :</b>				
	<b>Particulars</b>	<b>Number</b>		<b>Number</b>	
	Shares outstanding at the beginning of the year	1,61,05,000		1,50,00,000	
	Shares Issued during the year	-		11,05,000	
	Shares bought back during the year	-		-	
	<b>Shares outstanding at the end of the year</b>	<b>1,61,05,000</b>		<b>1,61,05,000</b>	
	<b>Terms / rights attached to shares :</b>				
	The Company has only one class of shares i.e. equity shares of ₹ 100/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.				
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.				
	<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>				
	<b>Particulars</b>	<b>No.</b>	<b>% held</b>	<b>No.</b>	<b>% held</b>
	Housing Development and Infrastructure Limited - Holding Company	1,61,05,000	100%	1,61,05,000	100%
		(₹ in Lacs)			
Particulars		As at March 31, 2016		As at March 31, 2015	
<b>3</b>	<b>RESERVE AND SURPLUS</b>				
	<b>Securities Premium Account</b>				
	Opening Balance	18,677.95		17,307.20	
	Add : Securities premium credited on Share issue	-		1,381.25	
	Less : Share issue expenses written off	-		10.50	
	<b>Closing Balance</b>	<b>18,677.95</b>		<b>18,677.95</b>	
	<b>General Reserve</b>				
	Opening Balance	447.38		447.38	
	<b>Closing Balance</b>	<b>447.38</b>		<b>447.38</b>	
	<b>Surplus in the Statement of Profit and Loss</b>				
	Opening Balance	691.88		658.44	
	Add : Net Profit for the current year	122.68		61.51	
	Less: Short provision for tax for earlier year	4.58		-	
	Less : Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	-		28.07	
	<b>Closing Balance</b>	<b>809.98</b>		<b>691.88</b>	
	<b>Total</b>	<b>19,935.31</b>		<b>19,817.21</b>	

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>4 LONG TERM BORROWINGS</b>		
Secured Long Term Borrowings :		
Term Loans from Scheduled Bank (Ref. Note 4 a)	73,474.44	82,906.03
<b>Total</b>	<b>73,474.44</b>	<b>82,906.03</b>

Details of securities and other terms and conditions provided:

**a Term Loans from Scheduled Bank :-**

**(i) Yes Bank Limited**

Secured against Pari Passu charge on the immovable properties along with the structures built thereon, admeasuring 5,53,696 Sq. mtrs. situated at village Kopari, District Thane, comprising of various survey numbers, admeasuring 4,18,006 Sq. mtrs. further secured against Pari Passu charge on the Immovable properties situated at village Sasunavghar, District Thane, comprising of various survey numbers and pari-passu on all current assets of the project only including receivables/ future receipts pertaining to project. Rate of interest 15.00% (P.Y. 15.50%) p.a. payable monthly. Repayable after moratorium period of 48 months.

**(ii) Bank of India**

Secured against First Pari Passu charge on the immovable properties along with the structures built thereon situated at village Sasunavghar, District Thane. A first charge/assignment in favour of Lenders of all the operating cash flows, treasury income, revenues / receivables, Project Agreement of the Project. Rate of interest 15.45% (P.Y. 15.75%) p.a. payable monthly. Repayable after moratorium period of 48 months. Door to Door tenor is 96 months.

**Maturity profile and Rate of interest of Secured Long Term Borrowings are as set out below:**

Rate of Interest	Maturity Profile					Total
	2017-18	2018-19	2019-20	2020-21	2021-22	
15.00% p.a.	3,300.00	10,913.00	16,557.00	12,548.00	6,692.44	50,010.44
15.45% p.a.	7,500.00	7,500.00	7,500.00	964.00	-	23,464.00
<b>Total</b>	<b>10,800.00</b>	<b>18,413.00</b>	<b>24,057.00</b>	<b>13,512.00</b>	<b>6,692.44</b>	<b>73,474.44</b>

Particulars	As at March 31, 2016	As at March 31, 2015
<b>5 LONG TERM PROVISIONS</b>		
Provision for employee benefits :		
Leave Encashment	3.64	3.16
<b>Total</b>	<b>3.64</b>	<b>3.16</b>
<b>6 TRADE PAYABLES</b>		
Trade Payables	637.07	863.93
<b>Total</b>	<b>637.07</b>	<b>863.93</b>
<b>Micro, small and medium enterprises</b>		
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		
<b>7 OTHER CURRENT LIABILITIES</b>		
Interest accrued and due on borrowings	3,355.01	2,866.74
Statutory dues payable	47.46	45.08
Advances from customers	14,696.74	20,716.10
Other payables	6,896.88	5,782.75
<b>Total</b>	<b>24,996.09</b>	<b>29,410.67</b>

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>8 SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits :</b>		
Gratuity	8.48	5.47
Leave Encashment	1.70	0.82
	<b>10.18</b>	<b>6.29</b>
<b>Other Provisions :</b>		
Provision for taxation	82.68	28.81
Less : Tax Paid	29.96	17.39
	<b>52.72</b>	<b>11.42</b>
<b>Total</b>	<b>62.90</b>	<b>17.71</b>

**9 FIXED ASSETS**

Description	COST			DEPRECIATION						WDV	
	As at 01-04- 2015	Additions during the year	Sale	As at 31-03- 2016	Up to 31-03- 2015	For the year	On Sale of assets	Adjustments	Up to 31-03- 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible assets</b>											
Office Premises	42.04	-	-	42.04	10.55	0.70	-	-	11.25	30.79	31.49
Furniture and fixtures	40.19	-	-	40.19	29.52	7.27	-	-	36.79	3.40	10.67
Vehicles	21.30	-	-	21.30	20.88	-	-	-	20.88	0.42	0.42
Office Equipments	51.08	-	-	51.08	50.10	0.40	-	-	50.50	0.58	0.98
<b>Other Fixed Assets:</b>											
Computers	37.38	-	-	37.38	37.38	-	-	-	37.38	-	-
Books	0.11	-	-	0.11	0.08	0.01	-	-	0.09	0.02	0.03
<b>Sub total</b>	<b>37.49</b>	-	-	<b>37.49</b>	<b>37.46</b>	<b>0.01</b>	-	-	<b>37.47</b>	<b>0.02</b>	<b>0.03</b>
<b>Total</b>	<b>192.10</b>	-	-	<b>192.10</b>	<b>148.51</b>	<b>8.38</b>	-	-	<b>156.89</b>	<b>35.21</b>	<b>43.59</b>
Previous year	192.03	0.07	-	192.10	108.49	11.95	-	28.07	148.51	43.60	83.54

Particulars	As at March 31, 2016	As at March 31, 2015
<b>10 NON CURRENT INVESTMENTS</b>		
Investment property (at cost) (long term)	13.06	13.06
<b>Non trade investments</b>		
<b>Unquoted shares (at cost) (long term)</b>		
i) Punjab and Maharashtra Co - Operative Bank Limited 1,00,000 (Previous year 1,00,000) Equity shares of ₹ 25/- each fully paid	25.00	25.00
ii) Privilege Hi Tech Infrastructure Limited 11,900 (Previous year 11,900) Equity shares of ₹ 10/- each fully paid	1.19	1.19
<b>Total</b>	<b>39.25</b>	<b>39.25</b>
In the opinion of the management, the value of above investments is not less than as stated, if realised in the ordinary course of business.		
<b>11 DEFERRED TAX ASSETS (NET)</b>		
<b>Arising on account of timing differences in Assets</b>		
Related to fixed assets	10.38	8.97
<b>Total</b>	<b>10.38</b>	<b>8.97</b>

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>12 LONG TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Security Deposits	11.91	11.90
Income tax refund receivable	-	4.95
<b>Total</b>	<b>11.91</b>	<b>16.85</b>
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.		
<b>13 INVENTORIES</b>		
Finished Goods (lower of cost or net realisable value)	857.98	963.87
Work -in-progress (lower of cost or net realisable value)	1,06,248.36	77,588.96
<b>Total</b>	<b>1,07,106.34</b>	<b>78,552.83</b>
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.		
<b>14 TRADE RECEIVABLES</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Unsecured, considered good	220.70	214.14
<b>Other debts</b>		
Unsecured, considered good	4.72	3.43
<b>Total</b>	<b>225.42</b>	<b>217.57</b>
In the opinion of the management, the value of above trade receivables is not less than as stated, if realised in the ordinary course of business.		
<b>15 CASH AND BANK BALANCES</b>		
Cash and Cash equivalents		
Cash on hand	14.80	14.80
Balance with banks - In current accounts	51.55	134.41
In Fixed Deposit with more than 3 months maturity	2.27	2.09
<b>Total</b>	<b>68.62</b>	<b>151.30</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Advances for Land purchase /tenancy / claims / development rights / construction	27,681.16	70,063.23
Loans to employees	1.93	0.38
Prepaid expenses	-	0.02
Cenvat credit entitlement	34.23	29.71
<b>Total</b>	<b>27,717.32</b>	<b>70,093.34</b>
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.		
<b>Particulars</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>
<b>17 REVENUE FROM OPERATION</b>		
Sale of products		
Development rights / FSI/ Land/ TDR/ Materials	328.85	167.13
Other operating income		
Rent and compensation	14.91	25.94
<b>Total</b>	<b>343.76</b>	<b>193.07</b>

Particulars	(₹ in Lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>18 OTHER INCOME</b>		
Dividend received (From Co-operative Bank)	3.00	3.00
Interest	0.29	0.16
Maintenance income (net of expenses)	-	4.09
Miscellaneous income	-	0.01
<b>Total</b>	<b>3.29</b>	<b>7.26</b>
<b>19 COST OF MATERIAL CONSUMED</b>		
Land	969.90	590.35
Construction materials and other expenses	15,357.37	894.80
<b>Total</b>	<b>16,327.27</b>	<b>1,485.15</b>
<b>20 CHANGES IN INVENTORIES</b>		
Opening stock of		
Finished goods	963.87	1,546.26
Work-in-progress	77,588.96	61,792.11
	<u>78,552.83</u>	<u>63,338.37</u>
Less : Closing stock of		
Finished goods	857.98	963.87
Work-in-progress	1,06,248.36	77,588.96
	<u>1,07,106.34</u>	<u>78,552.83</u>
<b>Total</b>	<b>(28,553.51)</b>	<b>(15,214.46)</b>
<b>21 EMPLOYEE BENEFITS EXPENSES</b>		
(a) Salaries, wages and bonus	73.25	58.79
(b) Contributions to - Provident and other fund	8.67	7.18
(c) Staff welfare expenses	1.14	1.64
<b>Total</b>	<b>83.06</b>	<b>67.61</b>
<p>As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :</p> <p>The Company has created Employee's Group Gratuity Fund with Life Insurance Corporation of India, and obtained Group Gratuity Assurance Policy from LIC for the benefit of employees.</p> <p><b>A) Gratuity Plan :-</b></p> <p><b>Defined Benefit Plan</b></p> <p>The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.</p> <p>Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.</p> <p>The following table set out the status of the gratuity plan as required under AS - 15.</p> <p><b>Reconciliation of opening and closing balance of the present value of the defined benefit obligation:</b></p>		
Obligations at the beginning of the year	15.49	12.00
Transfer In/(out) Obligation	0.03	-
Interest cost	1.26	1.09
Current service cost	1.53	1.06
Benefits paid	-	(0.93)
Actuarial (gain) loss on defined benefits obligation	1.04	2.27
<b>Obligation at the year end</b>	<b>19.35</b>	<b>15.49</b>

Particulars	(₹ in Lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:</b>		
Opening fair value of plan assets	10.03	10.13
Expected return	1.07	0.91
Actuarial gains and (losses)	(0.23)	(0.08)
Contribution by employer	-	-
Benefits paid	-	(0.93)
<b>Closing fair value of plan assets</b>	<b>10.87</b>	<b>10.03</b>
<b>Amounts to be recognised in the Balance Sheet</b>		
Present value of Defined benefits obligation as on	19.35	15.49
Fair value of plan assets as on	10.87	10.03
<b>Liability recognised in balance sheet</b>	<b>8.48</b>	<b>5.46</b>
<b>Gratuity cost for the year</b>		
Current service cost	1.53	1.06
Interest cost on obligation	1.26	1.09
Expected return on plan assets	(1.07)	(0.91)
Net actuarial (gain) loss	1.26	1.42
Transfer In/(out) Obligation	0.03	-
Adjustment to the opening fund	-	0.93
Expense recognised in the statement of Profit and Loss	<b>3.01</b>	<b>3.59</b>
<b>B) Leave encashment liability :-</b>		
The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as leave encashment.		
Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.		
The following table set out the status of the leave encashment plan as required under AS 15		
<b>Reconciliation of opening and closing balance of the present value of the defined benefit obligation:</b>		
Obligations at the beginning of the year	3.98	3.27
Transfer In/(out) Obligation	0.03	-
Interest cost	0.30	0.30
Current service cost	0.86	0.57
Benefits paid	-	-
Actuarial (gain) loss on defined benefits obligation	0.17	(0.16)
<b>Obligation at the year end</b>	<b>5.34</b>	<b>3.98</b>
<b>Amounts to be recognised in the Balance Sheet</b>		
Present value of Defined benefits obligation as on	5.34	3.98
Fair value of plan assets as on	-	-
<b>Liability recognised in balance sheet</b>	<b>5.34</b>	<b>3.98</b>
<b>Leave Encashment cost for the year</b>		
Current service cost	0.86	0.57
Interest cost on obligation	0.30	0.30
Transfer In/(out) Obligation	0.03	-
Net actuarial (gain) loss	0.17	(0.16)
Expense recognised in the statement of Profit and Loss	<b>1.36</b>	<b>0.71</b>

Particulars	(₹ in Lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>C) Valuation Assumptions</b>		
Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.		
i) Discount Rate	7.90%	7.70%
ii) Salary Growth	7.00%	7.00%
iii) Expected rate of return	7.90%	8.00%
- Gratuity		
- Leave encashment	NA	NA
iv) Mortality	: Indian Assured Lives Mortality (2006-08) Table	
v) Withdrawals	: 5% at younger ages reducing to 1% to older ages	
vi) Retirement age	: 60 Years	
vii) Leave Consumption Factors	: 1.25% at all ages (previous year 10% at younger ages tapering to 2% at older ages)	
viii) Method of Valuation	: Projected Unit Credit Method	
<b>22 FINANCE COSTS</b>		
Project specific interest expenses	12,183.62	13,705.41
Other Borrowing Cost (Loan processing fees and other charges)	-	3.37
Other Interest expenses	4.76	5.01
<b>Total</b>	<b>12,188.38</b>	<b>13,713.79</b>
<b>23 OTHER EXPENSES</b>		
Advertisement and sales promotion expenses	0.93	0.60
Bank Charges	3.94	0.88
Communication expenses	1.38	1.03
Conveyance expenses	-	0.77
Electricity charges	(30.66)	0.71
Filing fees paid to the Registrar of Companies	0.17	0.10
Miscellaneous expenses	5.58	1.84
Printing and stationery	3.84	4.37
Professional fees	30.34	35.86
Profession Tax	-	0.27
Payment to auditors		
Audit fees	8.52	8.19
Taxation matters	1.50	1.50
Directors remuneration and sitting fees	0.80	-
Rates and taxes	25.95	12.52
Repairs and maintenance to other assets	0.09	2.16
Security charges	-	0.98
Stamping and registration	65.60	0.46
<b>Total</b>	<b>117.98</b>	<b>72.24</b>
Project related expenses included in above	66.77	50.25
<b>24 Earnings per equity share :-</b>		
a. profit or loss attributable to equity shareholders		
Profit for the year	₹ 122.68	61.51
Less: Short provision for tax for earlier year	₹ 4.58	-
Less: Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	₹ -	28.07
	₹ 118.10	33.44
b. weighted average number of equity shares of ₹ 10/- each	Nos. 16,105,000	15,006,055
EPS		
- Basic	₹ 0.73	0.22
- Diluted	₹ 0.73	0.22

(₹ in Lacs)

25 Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i) Value of imports calculated on CIF basis	NIL	NIL
ii) Earnings in foreign exchange	NIL	NIL
iii) Expenditure in foreign currency	NIL	NIL

**26 Related party disclosure**

- a. List of related parties with whom transactions have taken place during the year and relationship :  
 Housing Development and Infrastructure Limited Holding Company
- b. Key management personnel Not applicable
- c. Enterprise influenced by key management personnel Not applicable
- d. Transactions with related party

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates	Key Management Personnel	Total	Holding Company	Associates	Key Management Personnel	Total
Loans/advances repaid	-	-	-	-	19,884.93	-	-	19,884.93
Advance for project	(42,116.35)	-	-	(42,116.35)	(10,131.61)	-	-	(10,131.61)
Sale of FSI	227.95	-	-	227.95	167.13	-	-	167.13
Outstanding as at year end Due to	27,543.44	-	-	27,543.44	69,659.79	-	-	69,659.79

Disclosure in respect of material transactions with related parties during the year	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances repaid</b>		
Housing Development and Infrastructure Limited	-	19,884.93
<b>Advance for Goods and Services</b>		
Housing Development and Infrastructure Limited	(42,116.35)	(10,131.61)
<b>Sale of FSI</b>		
Housing Development and Infrastructure Limited	227.95	167.13
<b>Outstanding as at year end (Advances for Goods and Services)- Due to</b>		
Housing Development and Infrastructure Limited	27,543.44	69,659.79
<b>27 Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	NIL	NIL
<b>28 Contingent Liabilities not provided for</b>		
(i) Income-tax demands disputed by the Company (net of amounts provided)	19.93	-
(ii) Claims against the Company not acknowledged as debts (represents suits filed by the parties in the Court, and disputed by the Company)	10.50	10.50
<b>29 Disclosure in respect of operating leases :</b>		
<b>Assets given on lease :</b>		
<b>a) General description of leasing arrangement</b>		
i) Leased assets : Leasing of commercial premises.		
ii) Future lease rentals are determined on the basis of agreed terms.		
iii) At the expiry of the lease term, the Company agrees to record the new terms and condition of their agreement in relation to lease of the Premises.		

Particulars	(₹ in Lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>b) Lease payment received for the year ₹ 14.91 lacs (previous year ₹ 25.94 lacs)</b>		
<b>c) Total minimum lease payments receivable</b>		
Not more than one year	14.91	25.36
Not less than one year and not more than five years	-	34.18
More than five years	-	-

**30 i) The Company has provided security to its holding Company for securing following loans****Secured Loan - Non Convertible Debentures**

2,425 (previous year 13,975) Secured Redeemable Non – Convertible Debentures

Secured by mortgage of Immovable properties admeasuring to about 7,01,992 Sq. mtrs. situated at village Kasarali, District Thane and 1,47,341 Sq. mtrs. situated at Village Kopri, District Thane.

**Secured Loan - Term loan****a) Jammu & Kashmir Bank**

Secured by Immovable properties admeasuring 2,91,610 Sq. mtrs. situated at Village Kopri, District Thane, comprising of various survey numbers.

**b) IL&FS - PMDO**

Secured by registered mortgage of immovable properties admeasuring 96,750 Sq. mtrs. situated at village Doliv, 1,60,390 Sq. mtrs. situated at village Khardi, 94,710 Sq. mtrs. situated at Dahisar and 66,640 Sq. mtrs. situated at Kasarali, comprising of various survey numbers.

**c) Allahabad Bank**

Secured by 45,342 Sq. mtrs. of Immovable properties situated at Village Chandansar, Dist. Thane, comprising of various survey numbers.

**d) Syndicate Bank**

Secured Immovable properties admeasuring 87,220 Sq.mtrs. situated at Village Doliv, Koshimbe, Dist. Thane, comprising of various survey numbers.

**ii) The Company has also provided security to its fellow subsidiary Company for securing following loan****Secured Loan - Term loan****Union Bank of India**

Secured by registered mortgage of Non-agricultural property area admeasuring 1,23,365 Sq. mtrs. situated at Village Chandansar and area admeasuring 1,23,360 Sq. mtrs. situated at Village Doliv, Khardi, Koshimbi, Dahisar and Kasarali.

**31 Nature of operations**

The Company is engaged in the business of real estate, developing, operating and maintaining infrastructure facilities.

**32 Previous year figures have been reclassified to confirm to this year classification.**

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Rakesh Kumar Wadhawan**

(Director)

**Sarang Wadhawan**

(Director)

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

**Ashok Kumar Gupta**

(Director)

**Hazari Lal**

(Director)

Place : Mumbai

Date : May 27, 2016

**Sandhya Baliga**

(Director)

## NOTICE

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of **RAVIJYOT FINANCE AND LEASING PRIVATE LIMITED** will be held on Thursday, September 15, 2016, at 12:00 noon at 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051, to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Geeta Shah (DIN: 01389902), who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and the Companies (Audit and Auditors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (**“AGM”**) until conclusion of the Twenty Sixth AGM of the Company, at such remuneration, out-of-pocket expenses, etc. plus service tax as may be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors  
for **Ravijyot Finance and Leasing Private Limited**

**Venkatavarathan Iyengar**

**Director**

**DIN: 00418374**

Place: Mumbai

Date: May 28, 2016

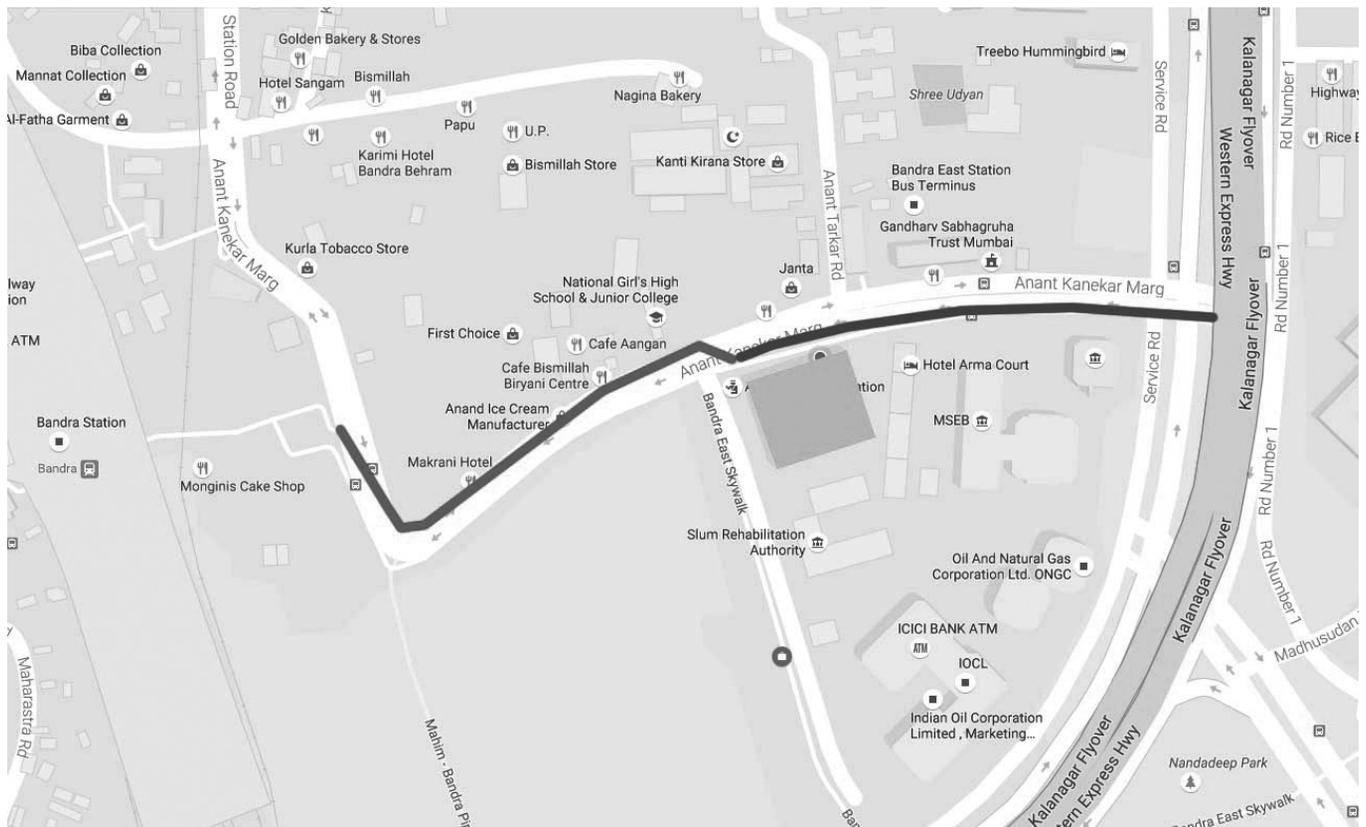
**NOTES**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS OR AUTHORITY, AS APPLICABLE.**

**A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.**
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 (“the Act”), are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- A Route map showing directions to reach the venue of the 21<sup>st</sup> AGM is given at the end of the this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.

**ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

Venue: 3<sup>rd</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report of the Company together with the Audited Financial Statement for the Financial Year ("F.Y.") ended March 31, 2016.

### BACKGROUND AND OPERATIONS

Your Company is a subsidiary of Housing Development and Infrastructure Limited and the Company is engaged into real estate development.

#### Land bank:

Your Company holds land-bank admeasuring upto 429 acres located in Dahisar, Mumbai.

### FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2016, as compared to the previous F.Y. is summarised below:

Particulars	₹ In Lacs)	
	2015-16	2014-15
<b>Gross sales and other receipts</b>	-	-
Profit before finance cost, depreciation, amortisation and taxation	(1.05)	(0.45)
Finance Cost	-	-
Depreciation and Amortization	2.98	6.40
<b>Operational profit before tax</b>	<b>(4.03)</b>	<b>(6.85)</b>
Less: Tax Expenses	0.11	(2.47)
<b>Profit for the year</b>	<b>(4.14)</b>	<b>(4.38)</b>
Balance brought forward	(8.73)	(3.21)
Add: Other adjustments	-	1.14
Profit available for appropriation	(12.87)	(8.73)
<b>Closing Balance</b>	<b>(12.87)</b>	<b>(8.73)</b>
<b>Net Worth</b>	<b>37.13</b>	<b>41.27</b>

### STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

The Company has incurred Loss of ₹ 4.14 lacs during the year as against Loss of ₹ 4.38 lacs for the previous year. The Directors are hopeful for a better performance in the upcoming years.

#### DIVIDEND

In view of losses for the year, your Directors do not recommend payment of any dividend for the F.Y. ended March 31, 2016.

#### SHARE CAPITAL

The paid-up equity share capital of the Company as at March 31, 2016, was ₹ 50 lacs. During the F.Y., there was no change in the issued, subscribed and paid-up share capital of the Company.

#### RESERVES

In view of losses for the year, no amount has been transferred to reserves.

#### FIXED DEPOSITS

Your Company did not hold any public deposits at the beginning of the year, nor it has accepted any deposits from the public during the F.Y., within the meaning of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

#### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, framed thereunder, is annexed as **Annexure 'A'**.

#### DIRECTORS

In accordance with the provisions of Section 152 of the Act, Mrs. Geeta Shah is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible offers herself for re-appointment.

Your Company received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of Independence as prescribed by Section 149(6) of the Act.

During the F.Y., there was no change in the constitution of the Board of Directors ("the Board") of the Company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Act:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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 and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### NUMBER OF MEETINGS OF THE BOARD

The Board met on various occasions to discuss and decide various affairs, operations of the Company and to supervise and control the activities of the Company.

During the F.Y., the Board met five (5) times viz. on May 14, 2015, August 8, 2015, October 6, 2015, January 5, 2016 and February 13, 2016.

#### Attendance of the Directors:

Sr. No.	Name of Director	Number of Board Meetings	
		Held	Attended
1	Mr. Venkatavarathan Iyengar	5	5
2	Mr. Deepak Shirke	5	5
3	Mr. Satyajeet Hire	5	5
4	Mrs. Sandhya Baliga	5	4
5	Mr. Hazari Lal	5	4
6	Mr. Jayesh Shah	5	1
7	Mr. Ketan Shah	5	1
8	Mrs. Geeta Shah	5	1

#### COMMITTEES OF THE BOARD

Your Company has following committees of the Board, which are in place in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee

#### AUDIT COMMITTEE:

The Audit Committee comprises of following Directors:

1. Mr. Hazari Lal - Chairman
2. Mrs. Sandhya Baliga - Member
3. Mr. Venkatavarathan Iyengar - Member

During the F.Y., the Audit Committee met once viz. on May 14, 2015.

All the recommendations made by the Audit Committee were accepted by the Board.

#### Attendance of the Members of Audit Committee:

Sr. No.	Name of Member	Number of Audit Committee Meetings	
		Held	Attended
1	Mr. Hazari Lal	1	1
2	Mrs. Sandhya Baliga	1	1
3	Mr. Venkatavarathan Iyengar	1	1

#### NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Hazari Lal - Chairman
2. Mrs. Sandhya Baliga - Member
3. Mr. Venkatavarathan Iyengar - Member

#### STATUTORY AUDITORS

M/s. Thar & Co., Chartered Accountants (Firm Registration No. 110958W), Statutory Auditors of your Company, who retire at the ensuing AGM are eligible for appointment.

The Company has received a letter from M/s. Thar & Co., Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of the Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

#### **EXPLANATION ON AUDITORS' REPORT**

As regards the observation by the Auditor in the Auditor's Report regarding delay in payment of Service Tax, the Company will take remedial measures to pay the Service Tax and ensure non-occurrence of such event in future.

There are no qualifications, reservations, adverse remarks or disclaimers made by Statutory Auditors in their Report dated May 28, 2016, on the Financial Statements of the Company for F.Y. 2015-16.

#### **INTERNAL FINANCIAL CONTROL**

Your Company has in place adequate internal financial controls with reference to financial statements and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Pursuant to Section 186 of the Act, particulars of the loans given, investment made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security is proposed to be utilised by such recipient are provided under respective notes in Financial Statements.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties during the F.Y. were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act, are not attracted and hence the disclosure in form AOC-2 is not required.

Suitable disclosures as required under AS-18 have been made in Note 21 of the Notes to the financial statements.

#### **RISK MANAGEMENT**

Risk Management is an integral part of the Company's business strategy and taking that into consideration, your Company monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.

The Board has in place a Risk Management Policy, to manage risk through a detailed policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

#### **NOMINATION AND REMUNERATION POLICY**

The Company has in place a policy which lays down criteria for selection and appointment of Board Members. The policy also lays down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management of the Company. The Policy also includes the criteria for determining qualifications, positive attributes and independence of Directors.

The detailed policy is annexed as 'Annexure B'.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the F.Y.

During the F.Y., the Company has neither earned nor used any foreign exchange.

#### **REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

#### **INFORMATION OF MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 and prior to May 28, 2016, being the date of this report.

#### **APPRECIATION**

Your Directors express their sincere thanks to the Business Associates and Government Authorities for their assistance and co-operation extended from time to time.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 28, 2016

<b>Venkatavarathan Iyengar</b>	<b>Jayesh Shah</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 00418374</b>	<b>DIN: 01266065</b>

**ANNEXURE 'A'**
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2016

**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U67120MH1995PTC086603
2. Registration Date	March 20, 1995
3. Name of the Company	Ravijyot Finance and Leasing Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5. Address of the Registered office and contact details	Laxmi Palace, Mathuradas Road, Kandivali (West), Mumbai – 400 067 Tel: +91 22 6788 9000 Fax: +91 22 6788 9090 e-mail id: <a href="mailto:darshan.majmudar@hdil.in">darshan.majmudar@hdil.in</a>
6. Whether listed company	No
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the Company
1	Real Estate Activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name of Company	Address of Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Housing Development and Infrastructure Limited	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	L70100MH1996PLC101379	Holding	60.00	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	1,99,500	1,99,500	39.90	-	1,99,500	1,99,500	39.90	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	3,00,000	3,00,000	60.00	-	3,00,000	3,00,000	60.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>4,99,500</b>	<b>4,99,500</b>	<b>99.90</b>	-	<b>4,99,500</b>	<b>4,99,500</b>	<b>99.90</b>	-
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	-	<b>4,99,500</b>	<b>4,99,500</b>	<b>99.90</b>	-	<b>4,99,500</b>	<b>4,99,500</b>	<b>99.90</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.:									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Hindu Undivided Family (HUF)	-	500	500	0.10	-	500	500	0.10	-
<b>Sub-total (B)(2)</b>	-	<b>500</b>	<b>500</b>	<b>0.10</b>	-	<b>500</b>	<b>500</b>	<b>0.10</b>	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	<b>500</b>	<b>500</b>	<b>0.10</b>	-	<b>500</b>	<b>500</b>	<b>0.10</b>	-
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>100.00</b>	-	<b>5,00,000</b>	<b>5,00,000</b>	<b>100.00</b>	-

## (ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Housing Development and Infrastructure Limited	3,00,000	60.00	-	3,00,000	60.00	-	-
2	Mr. Jayesh Tokershi Shah	33,250	6.65	-	33,250	6.65	-	-
3	Mr. Ketan Tokershi Shah	33,250	6.65	-	33,250	6.65	-	-
4	Mrs. Geeta Rasik Shah	33,250	6.65	-	33,250	6.65	-	-
5	Mr. Tokershi Shah	33,250	6.65	-	33,250	6.65	-	-
6	Mrs. Sonal Jayesh Shah	33,250	6.65	-	33,250	6.65	-	-
7	Mrs. Usha Ketan Shah	33,250	6.65	-	33,250	6.65	-	-
	<b>Total</b>	<b>4,99,500</b>	<b>99.90</b>	-	<b>4,99,500</b>	<b>99.90</b>	-	-

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year:	-	-	-	-
	Date wise increase/ (decrease) in Promoters Shareholding during the year specifying the reason for increase/ (decrease):	-	-	-	-
	At the end of the year:	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
Tokershi Shivji Shah (HUF)	500	0.10	-	-	500	0.10

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year: Directors and KMP:</b>				
1	Mr. Venkatavarathan Iyengar	-	-	-	-
2	Mr. Deepak Shirke	-	-	-	-
3	Mr. Satyajeet Hire	-	-	-	-
4	Mrs. Sandhya Baliga	-	-	-	-
5	Mr. Hazari Lal	-	-	-	-
6	Mr. Jayesh Shah	33,250	6.65	33,250	6.65
7	Mr. Ketan Shah	33,250	6.65	33,250	6.65
8	Mrs. Geeta Shah	33,250	6.65	33,250	6.65
	<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)</b>	-	-	-	-
	<b>At the end of the year: Directors and KMP:</b>				
1	Mr. Venkatavarathan Iyengar	-	-	-	-
2	Mr. Deepak Shirke	-	-	-	-
3	Mr. Satyajeet Hire	-	-	-	-
4	Mrs. Sandhya Baliga	-	-	-	-
5	Mr. Hazari Lal	-	-	-	-
6	Mr. Jayesh Shah	33,250	6.65	33,250	6.65
7	Mr. Ketan Shah	33,250	6.65	33,250	6.65
8	Mrs. Geeta Shah	33,250	6.65	33,250	6.65

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment:**

Particulars	(₹ in Lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager: N.A. (A)****B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	<b>Independent Directors</b>	<b>Mrs. Sandhya Baliga</b>	<b>Mr. Hazari Lal</b>					
	Fee for attending Board / Committee Meetings	0.30	0.30					0.60
	Commission	-	-					-
	Others, please specify	-	-					-
	<b>Total (1)</b>	<b>0.30</b>	<b>0.30</b>					<b>0.60</b>
2	<b>Other Non-Executive Directors</b>	<b>Mr. Venkatavarathan Iyengar</b>	<b>Mr. Deepak Shirke</b>	<b>Mr. Satyajeet Hire</b>	<b>Mr. Jayesh Shah</b>	<b>Mr. Ketan Shah</b>	<b>Mrs. Geeta Shah</b>	-
	Fee for attending Board / Committee Meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B) = (1+2)</b>								<b>0.60</b>
Ceiling as per the Act	Nil (Being 3% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)							
<b>Total Managerial Remuneration = (A+B)</b>								<b>0.60</b>
Overall Ceiling as per the Act	Nil (Being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)							

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: N.A.****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 28, 2016

<b>Venkatavarathan Iyengar</b>	<b>Jayesh Shah</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 00418374</b>	<b>DIN: 01266065</b>

## ANNEXURE 'B'

### NOMINATION AND REMUNERATION POLICY

#### PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company.

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated and approved by the Board of Directors at its Meeting held on March 14, 2015.

#### OBJECT AND PURPOSE

This policy shall act as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- that the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- to carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
- to lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

#### APPLICABILITY AND GOVERNING LAW

This policy is applicable to all Directors viz. Executive, Non-Executive and Independent Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being and such other Rules/Regulations, as may be notified by MCA from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

#### DEFINITIONS

In this policy unless the context otherwise requires:

"Act" shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

"Board of Directors" or "Board" in relation to the Company means the collective body of the Directors of the Company.

"Company" means Ravijyot Finance and Leasing Private Limited.

"Directors" means Directors of the Company.

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) in relation to a Company means,

- i. The Chief Executive Officer, or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed under the Act.

"Senior Management Personnel" mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall have minimum three Directors as Members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of the following Directors:

- |    |                             |  |          |
|----|-----------------------------|--|----------|
| 1) | Mr. Hazari Lal              | Non-Executive Independent Director     | Chairman |
| 2) | Mrs. Sandhya Baliga         | Non-Executive Independent Director     | Member   |
| 3) | Mr. Venkatavarathan Iyengar | Non-Executive Non-Independent Director | Member   |

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee *inter-alia* will be the following:

- identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- devising a policy on Board diversity;
- formulation of criteria for evaluation of Independent Directors and the Board;
- ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors and
- decide / approve details of fixed components and performance linked incentives along with criteria.

## APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

### (i) Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment;
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

### (ii) Term / Tenure:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly;
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### (iii) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### (iv) Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

### (v) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board Meeting minutes.

### i. Remuneration to Whole-time / Executive / Managing Director

#### Fixed pay:

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break- up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

#### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### Provisions for excess remuneration:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### ii. Remuneration / Commission to Non-Executive / Independent Director

#### Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending Meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 10,000/- per Meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

#### Commission:

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 3% of the profits of the Company computed as per the applicable provisions of the Act, if there are no Managing or Whole-Time Director of the Company.

In case, where the Company has appointed Managing or Whole-Time Director then Commission shall be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## REVIEW

This Policy shall be reviewed by the Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

\*\*\*\*\*

# INDEPENDENT AUDITORS' REPORT

To the Members of **RAVIJYOT FINANCE & LEASING PRIVATE LIMITED,**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **RAVIJYOT FINANCE & LEASING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on whether the Company has in place of adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## INDEPENDENT AUDITORS' REPORT

- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No.: 110958W

**Jayesh R. Thar**  
**Partner**  
**Membership No.: 032917**

Place : Mumbai  
Date : May 28, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on March 31, 2016 of RAVIJYOT FINANCE AND LEASING PRIVATE LIMITED:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All the Fixed Assets have been physically verified by the management in a phased manner, over a period of one year, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans & Guarantee to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service-Tax, VAT, cess and other material applicable statutory dues as applicable have generally been regularly deposited with the appropriate authorities and as on March 31, 2016, no such dues were outstanding for a period of more than six months from the date they became payable except for ₹ 0.79 lakhs in case of Service Tax.
- (b) According to the information and explanations given to us, there are no material dues of service tax, value added tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any dues to Banks, Financial Institutions or Debenture Holders and accordingly the provisions of clause (viii) of the paragraph 3 of the Order are not applicable to the Company.
- (ix) The Company has not raised money through initial public offers or debt instruments or term loans during the financial year.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause (xi) of the Paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Act and hence the provisions under clause (xii) of the Paragraph 3 of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013 and where applicable the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 451A of the Reserve Bank of India Act, 1934.

For **Thar & Co.,**

Chartered Accountants

Firm Registration No.: 110958W

**Jayesh R. Thar**

**Partner**

**Membership No.: 032917**

Place : Mumbai

Date : May 28, 2016

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **RAVIJYOT FINANCE AND LEASING PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Thar & Co.**

Chartered Accountants  
 Firm Registration No.: 110958W

**Jayesh R.Thar**

**Partner**

**Membership No.: 032917**

Place : Mumbai

Date : May 28, 2016

**BALANCE SHEET AS AT**

20th ANNUAL REPORT 2015-16

(₹ in Lacs)

Particulars	Note No.	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	2	50.00		50.00	
Reserves and Surplus	3	(12.87)	37.13	(8.73)	41.27
<b>(2) Current Liabilities</b>					
Trade payables	4	4.55		4.55	
Other current liabilities	5	19,724.26	19,728.81	19,723.14	19,727.69
<b>Total</b>			<b>19,765.94</b>		<b>19,768.96</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Fixed assets					
Tangible assets	6	6.38		9.36	
Deferred tax assets (net)	7	5.19		5.30	
Long term loans and advances	8	0.26	11.83	0.26	14.92
<b>(2) Current assets</b>					
Inventories	9	19,270.13		19,268.74	
Cash and bank balances	10	3.10		3.02	
Short-term loans and advances	11	480.88	19,754.11	482.28	19,754.04
<b>Total</b>			<b>19,765.94</b>		<b>19,768.96</b>
<b>Significant accounting policies</b>	1				
(Accompanying notes are an integral part of the financial statements)					

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

**Jayesh T Shah**

(Director)

**Venkatavarthan Iyengar**

(Director)

Place : Mumbai

Date : May 28, 2016

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

20th ANNUAL REPORT 2015-16

		(₹ in Lacs)	
Particulars	Note No.	March 31, 2016	March 31, 2015
<b>Income:</b>			
Revenue from operations		-	-
<b>Total Revenue</b>		<b>-</b>	<b>-</b>
<b>Expenses:</b>			
Cost of materials consumed	12	-	6.76
Changes in inventories of work-in-progress	13	(1.39)	(8.39)
Depreciation and amortisation expense	6	2.98	6.40
Other expenses	14	2.44	2.08
<b>Total Expenses</b>		<b>4.03</b>	<b>6.85</b>
<b>(Loss) before tax</b>		<b>(4.03)</b>	<b>(6.85)</b>
Tax expense			
Current tax		-	-
Deferred tax charge/(credit)		0.11	(2.47)
		<b>0.11</b>	<b>(2.47)</b>
<b>Profit/(Loss) for the year</b>		<b>(4.14)</b>	<b>(4.38)</b>
<b>Earnings per equity share of ₹ 10/-</b>			
Basic	20	(0.83)	(0.88)
Diluted		(0.83)	(0.88)
<b>Significant accounting policies</b>	1		
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

Place : Mumbai

Date : May 28, 2016

**Jayesh T Shah**

(Director)

**Hazari Lal**

(Director)

**Venkatavarthan Iyengar**

(Director)

**Sandhya Baliga**

(Director)

# CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
<b>A Cash flow from operating activities</b>				
Net profit before tax		(4.03)		(6.85)
Adjustments for :				
Depreciation		2.98		6.40
Operating profit before working capital changes		(1.05)		(0.45)
Movements in working capital :				
Decrease / (Increase) in inventories	(1.39)		(8.40)	
Decrease / (Increase) in other receivables	1.40		9.15	
(Decrease) / Increase in trade payables and other current liabilities	1.12		19,362.14	
Net movement in working capital		1.13		19,362.89
Cash used in operations		0.08		19,362.44
Less : Direct taxes paid (net of refunds)		-		-
<b>Net cash used in operating activities</b>		<b>0.08</b>		<b>19,362.44</b>
<b>B Cash flows from investing activities</b>				
Repayment of borrowings		-		(19,362.41)
<b>Net cash from financing activities</b>		-		(19,362.41)
Net increase in cash and cash equivalents (A + B + C)		0.08		0.03
Cash and cash equivalents at the beginning of the year		3.02		2.99
Cash and cash equivalents at the end of the year		<b>3.10</b>		<b>3.02</b>
<b>Components of Cash and cash equivalents for the year ended</b>		<b>31-Mar-2016</b>		<b>31-Mar-2015</b>
Cash on hand		2.16		2.16
With banks - on current account		0.94		0.86
		<b>3.10</b>		<b>3.02</b>

## Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

**Jayesh T Shah**

(Director)

**Venkatavarthan Iyengar**

(Director)

Place : Mumbai

Date : May 28, 2016

**Hazari Lal**

(Director)

**Sandhya Baliga**

(Director)

# NOTES ON THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES:

### A Basis of preparation:

- i) These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be 5 years for the purpose of current- non current classification of assets and liabilities.

### ii) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

### B Fixed assets:

- i) Fixed assets are stated at cost of acquisition or construction net of recoverable taxes, trade discounts, rebates, depreciation accumulated and accumulated impairment losses. All costs relating to the acquisition and installation of fixed assets are capitalised and includes borrowing costs relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

### ii) Method of Depreciation and amortisation

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act, 2013.

### C Inventories:

Work-in-progress : Valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, direct materials, labour, construction expenses and borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to effect the sale.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyancing and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.

### D Revenue recognition:

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") wherein allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

### E Sale:

Unit in real estate: -

Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

### F Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.

## NOTES ON THE FINANCIAL STATEMENTS

### G Income taxes:

- (i) Tax expense comprises of current and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### H Segment reporting policies:

The main business of the Company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

### I Earnings per share:

Basic earnings per equity share are calculated by dividing the net profit or (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares, if any.

For the purpose of calculating diluted earnings per equity share, the net profit or (loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### J Impairment:

- i. The carrying amount of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amount, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- ii. After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- iii. A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined has no impairment loss been recognised.

### K Provisions, contingent liabilities and contingent assets:

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

# NOTES ON THE FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015		
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
5,00,000 (Previous year 5,00,000) Equity shares of ₹ 10/- each	<b>50.00</b>	<b>50.00</b>		
<b>Issued, Subscribed and Paid Up</b>				
5,00,000 (previous year 5,00,000) Equity shares of ₹ 10/- each fully paid up	50.00	50.00		
<b>Total</b>	<b>50.00</b>	<b>50.00</b>		
<b>Reconciliation of the number of shares outstanding :</b>				
<b>Particulars</b>	<b>Numbers</b>	<b>Numbers</b>		
Shares outstanding at the beginning of the year	500,000	500,000		
Shares Issued during the year	-	-		
Shares bought back during the year	-	-		
<b>Shares outstanding at the end of the year</b>	<b>500,000</b>	<b>500,000</b>		
<b>Terms / rights attached to shares :</b>				
The Company has only one class of shares i.e. equity shares of ₹ 10/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.				
<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>				
<b>Particulars</b>	<b>No.</b>	<b>%held</b>	<b>No.</b>	<b>%held</b>
Housing Development and Infrastructure Limited - holding Company	3,00,000	60	3,00,000	60
Jayesh T Shah	33,250	6.65	33,250	6.65
Ketan T Shah	33,250	6.65	33,250	6.65
Geeta R Shah	33,250	6.65	33,250	6.65
Tokershi S Shah	33,250	6.65	33,250	6.65
Sonal J Shah	33,250	6.65	33,250	6.65
Usha K Shah	33,250	6.65	33,250	6.65
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>		
<b>3 RESERVE AND SURPLUS</b>				
<b>Surplus in the Statement of Profit and Loss</b>				
Opening Balance	(8.73)	(3.21)		
Less : Net Loss for the current year	(4.14)	(4.38)		
Less: Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	-	1.14		
<b>Total</b>	<b>(12.87)</b>	<b>(8.73)</b>		
<b>4 TRADE PAYABLES</b>				
Trade Payables	4.55	4.55		
<b>Total</b>	<b>4.55</b>	<b>4.55</b>		
<b>Micro, Small and Medium Enterprises :</b>				
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.				

# NOTES ON THE FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>5 OTHER CURRENT LIABILITIES</b>		
Statutory dues payable	0.84	0.74
Other payable	19,723.42	19,722.40
<b>Total</b>	<b>19,724.26</b>	<b>19,723.14</b>

**6. FIXED ASSETS**

Description	COST			DEPRECIATION						WDV	
	As on 01-04-2015	Additions during the year	Sale	As on 31-03-2016	Up to 31-03-2015	For the year	On sale	Adjust- ments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible assets :</b>											
Furniture and fixtures	11.33	-	-	11.33	4.03	1.38	-	-	5.41	5.92	7.30
Office equipments	7.66	-	-	7.66	6.00	1.32	-	-	7.32	0.34	1.66
<b>Other Fixed Assets:</b>											
Computers	3.76	-	-	3.76	3.36	0.28	-	-	3.64	0.12	0.40
<b>Total</b>	<b>22.75</b>	<b>-</b>	<b>-</b>	<b>22.75</b>	<b>13.39</b>	<b>2.98</b>	<b>-</b>	<b>-</b>	<b>16.37</b>	<b>6.38</b>	<b>9.36</b>
Previous year	22.75	-	-	22.75	5.85	6.40	-	1.14	13.39	9.36	16.90

Particulars	As at March 31, 2016	As at March 31, 2015
<b>7 DEFERRED TAX ASSETS (NET)</b>		
Arising on account of timing differences in Assets		
Unabsorbed depreciation	4.43	4.57
Related to fixed assets	0.76	0.73
<b>Total</b>	<b>5.19</b>	<b>5.30</b>
<b>8 LONG TERM LOANS AND ADVANCES</b>		
Security deposits	0.26	0.26
<b>Total</b>	<b>0.26</b>	<b>0.26</b>
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.		
<b>9 INVENTORIES</b>		
Work -in-progress (lower of cost or net realisable value)	19,270.13	19,268.74
<b>Total</b>	<b>19,270.13</b>	<b>19,268.74</b>
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.		
<b>10 CASH AND BANK BALANCES</b>		
<b>Cash and Cash equivalents</b>		
Cash on hand	2.16	2.16
Balance with banks - in current accounts	0.94	0.86
<b>Total</b>	<b>3.10</b>	<b>3.02</b>
<b>11 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured considered, good		
Other receivable Related Party (from partnership firm in which Directors of the Company are partners)	284.42	286.27
Other loans and advances for		
Goods and services	0.30	0.30
Land purchase /tenancy / claims / development rights	196.16	195.71
<b>Total</b>	<b>480.88</b>	<b>482.28</b>
In the opinion of the management, the value of above loans and advances is not less than as stated, if realised in the ordinary course of business.		

# NOTES ON THE FINANCIAL STATEMENTS

20th ANNUAL REPORT 2015-16

		(₹ in lacs)	
Particulars		Year ended March 31, 2016	Year ended March 31, 2015
<b>12 COST OF MATERIALS CONSUMED</b>			
Construction materials and other expenses		-	6.76
<b>Total</b>		-	<b>6.76</b>
<b>13 CHANGES IN WORK - IN PROGRESS</b>			
Opening work-in-progress		19,268.74	19,260.35
Less : Closing stock in trade		19,270.13	19,268.74
<b>Total</b>		<b>(1.39)</b>	<b>(8.39)</b>
<b>14 OTHER EXPENSES</b>			
Electricity charges		1.39	1.63
Sundry expenses		0.05	0.12
Professional fees		0.17	0.13
Bank Charges		0.01	0.05
Payment to auditors			
Audit fees		0.11	0.11
Directors remuneration and sitting fees		0.68	-
Filing fees paid to the Registrar of Companies		0.03	0.04
<b>Total</b>		<b>2.44</b>	<b>2.08</b>
Project related expenses included in above		1.39	1.63
<b>15</b>	Contingent liabilities not provided for:		
	Income-tax demands disputed by the Company (net of amounts provided)	27.80	Nil
<b>16</b>	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
<b>17</b>	Value of imports on C. I. F. basis	Nil	Nil
<b>18</b>	Earnings in foreign exchange	Nil	Nil
<b>19</b>	Expenditure in foreign currency	Nil	Nil
<b>20</b>	Earnings per equity share:		
a.	Profit attributable to equity shareholders		
	Loss for the year	₹ (4.14)	(4.38)
	Less: Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	₹ -	1.14
		(4.14)	(5.52)
b.	Weighted average number equity shares of ₹ 10/- each fully paid	Nos. 500,000	500,000
c.	EPS		
	- Basic	₹ (0.83)	(0.88)
	- Diluted	₹ (0.83)	(0.88)
<b>21</b>	<b>Related party disclosure</b>		
A.	List of related parties with whom transactions have taken place during the year and relationship Housing Development and Infrastructure Limited - holding Company		
B.	<b>Key management personnel :</b> Not applicable		
C.	Enterprise significantly influenced by key management personnel Ravi Developments - Partnership firm		

## NOTES ON THE FINANCIAL STATEMENTS

### D. Transactions with related party

(₹ in Lacs)

Nature of transaction	March 31, 2016				March 31, 2015			
	Holding Company	Associates	Enterprise influenced by Key Management Personnel	Total	Holding Company	Associates	Enterprise influenced by Key Management Personnel	Total
Loans/advances repaid	-	-	1.85	1.85	19,362.41	-	10.71	19,373.12
Outstanding as at year end- Due from	-	-	284.42	284.42	-	-	286.27	286.27

Disclosure in respect of material transactions with related parties during the year	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loans/advances repaid</b>		
Housing Development and Infrastructure Limited	-	19,362.41
Ravi Developments	1.85	10.71
<b>Outstanding as at year end- Due from</b>		
Ravi Developments	284.42	286.27
<b>22 Nature of operations</b>		
The Company is engaged in the business of real estate development.		
<b>23 Previous year figures have been reclassified to conform to this year's classification.</b>		

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No.: 032917

Place : Mumbai

Date : May 28, 2016

**Jayesh T Shah**

(Director)

**Hazari Lal**

(Director)

**Venkatavarthan Iyengar**

(Director)

**Sandhya Baliga**

(Director)

# INDEPENDENT AUDITORS' REPORT

**To the Members of  
Housing Development and Infrastructure Limited  
Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Housing Development and Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements

that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

- (a) We did not audit the financial statements of two subsidiaries of the Company – (i) Lashkaria Construction Private Limited and (ii) HC Infracity Private Limited whose financial statements reflect total assets of ₹ 17,738.21 lacs as at 31<sup>st</sup> March, 2016, total revenue of ₹ 3.23 lacs and net cash outflows amounting to ₹ 9.15 lacs for the year then ended, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditors.
- (b) Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the reports of the other auditors and the financial statements /financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements:**

1. As required by section 143(3) of the Act, to the extent applicable, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Companies, none of the Directors of the Group companies, is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and subsidiaries and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29(a) to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies.

For **Thar & Co.**,  
Chartered Accountants  
Firm Registration No: 110958W

**Jayesh R. Thar**  
Partner  
Membership No. 032917

Place : Mumbai  
Date : May 28, 2016

# ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2016, we have audited the internal financial controls over financial reporting of **M/S HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary companies, have in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

#### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to standalone financial statements of 2 subsidiaries which are companies

incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **Thar & Co.,**  
Chartered Accountants  
Firm Registration No: 110958W

**Jayesh R. Thar**  
Partner  
Membership No. 032917

Place : Mumbai  
Date : May 28, 2016

# CONSOLIDATED BALANCE SHEET AS AT

(₹ in Lacs)

Particulars	Note No.	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share capital	2	41,900.40		41,900.40	
Reserves and surplus	3	1,072,874.72	1,114,775.12	1,038,567.72	1,080,468.12
<b>(2) Minority Interest</b>			726.89		736.73
<b>(3) Non-Current Liabilities</b>					
Long-term borrowings	4	90,205.31		106,166.71	
Deferred tax liabilities (Net)	5	1,846.26		1,893.59	
Long term provisions	6	227.15	92,278.72	167.23	108,227.53
<b>(4) Current Liabilities</b>					
Short-term borrowings	7	192,766.38		164,573.19	
Trade payables	8	48,978.12		44,643.17	
Other current liabilities	9	300,180.68		341,693.16	
Short-term provisions	10	15,181.79	557,106.97	21,488.38	572,397.90
<b>Total</b>			<b>1,764,887.70</b>		<b>1,761,830.28</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
Fixed assets	11				
(i) Tangible assets		13,724.10		11,993.85	
(ii) Intangible assets		3.91	13,728.01	9.27	12,003.12
Goodwill on consolidation	12		-		-
Non-current investments	13		12,963.16		15,965.04
Long term loans and advances	14		8,227.45		7,282.78
<b>(2) Current assets</b>					
Current investments	15	894.85		794.85	
Inventories	16	1,364,031.56		1,307,896.65	
Trade receivables	17	26,350.62		30,417.33	
Cash and bank balances	18	14,248.02		18,914.47	
Short-term loans and advances	19	324,444.03	1,729,969.08	368,556.04	1,726,579.34
<b>Total</b>			<b>1,764,887.70</b>		<b>1,761,830.28</b>
Significant Accounting Policies	1				
(Accompanying notes are an intergral part of the financial statements)					

As per our Report of even date attached

For **THAR & CO.**  
 Chartered Accountants,  
 Firm Registration Number: 110958W

**Jayesh R. Thar**  
 (Partner)  
 Membership No. 032917

Place : Mumbai  
 Date : May 28, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan** Executive Chairman  
**Sarang Wadhawan** Vice Chairman & Managing Director

**Ashok Kumar Gupta** Director  
**Raj Kumar Aggarwal** Director

**Hazari Lal** Director  
**Darshan D. Majmudar** Chief Financial Officer & Company Secretary

**Sandhya Baliga**  
 Director

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in Lacs)			
Particulars	Note No.	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March 2015
<b>Revenue:</b>			
Revenue from operations	20	116,945.48	102,247.55
Other Income	21	2,301.61	6,064.66
<b>Total Revenue</b>		<b>119,247.09</b>	<b>108,312.21</b>
<b>Expenses :</b>			
Cost of material consumed	22	81,348.45	77,481.11
Changes in inventories of finished goods, work in progress and stock in trade	23	(56,134.91)	(67,055.21)
Employee benefits expense	24	4,353.16	4,119.41
Finance costs	25	51,228.25	55,344.49
Depreciation and amortisation expense	11	575.59	1,531.95
Other expenses	26	8,865.58	7,110.63
<b>Total Expenses</b>		<b>90,236.12</b>	<b>78,532.38</b>
<b>Profit before tax</b>		<b>29,010.97</b>	<b>29,779.83</b>
<b>Tax expense:</b>			
Current tax		2,454.69	7,916.96
Deferred tax (credit)/charge		(47.32)	(0.71)
		<b>2,407.37</b>	<b>7,916.25</b>
<b>Profit after tax</b>		<b>26,603.60</b>	<b>21,863.58</b>
Less : Minority Interest		(9.86)	(1.55)
<b>Profit for the year</b>		<b>26,613.46</b>	<b>21,865.13</b>
<b>Earnings per equity share of ₹ 10/-</b>	27		
(1) Basic		8.19	5.20
(2) Diluted		8.19	5.20
Significant Accounting Policies	1		
(Accompanying notes are an integral part of the financial statements)			

As per our Report of even date attached

For **THAR & CO.**  
Chartered Accountants,  
Firm Registration Number: 110958W

**Jayesh R. Thar**  
(Partner)  
Membership No. 032917

Place : Mumbai  
Date : May 28, 2016

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**      **Sarang Wadhawan**  
Executive Chairman              Vice Chairman & Managing Director

**Ashok Kumar Gupta**              **Raj Kumar Aggarwal**  
Director                                  Director

**Hazari Lal**                              **Darshan D. Majmudar**  
Director                                  Chief Financial Officer & Company Secretary

**Sandhya Baliga**  
Director

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ in Lacs)

Particulars	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
<b>A Cash flow from operating activities</b>				
Net profit before tax		29,010.97		29,779.83
Adjustments for :				
Depreciation and amortisation expense	575.59		1,531.95	
Interest expenses	51,228.25		55,344.49	
Interest received	(1,539.65)		(1,837.96)	
Dividend received	(11.73)		(11.73)	
Profit on sale of investments	(7.16)		(3,445.20)	
Loss by fire	-		0.21	
Loss on sale of fixed assets	367.93	50,613.23	1.47	51,583.23
Operating profit before working capital changes		79,624.20		81,363.06
Movements in working capital :				
Decrease / (Increase) in inventory	(56,134.91)		(61,154.19)	
Decrease / (Increase) in trade receivable	4,066.69		7,630.82	
Decrease / (Increase) in other receivables	43,167.36		(26,215.89)	
(Decrease) / Increase in trade and other payables	207.34		69,505.19	
Net movement in working capital		(8,693.52)		(10,234.07)
Cash generated from operations		70,930.68		71,128.99
Less : Direct taxes paid (net of refunds)		1,270.71		296.06
<b>Net cash from operating activities</b>		<b>69,659.97</b>		<b>70,832.93</b>
<b>B Cash flows from investing activities</b>				
(Increase) / Decrease in capital work in progress	-		344.80	
(Increase) / Decrease in investments (net)	(100.00)		(5,120.30)	
Proceeds from sale of mutual fund units	3,009.04		-	
Interest received	1,539.65		1,837.96	
Dividend received	11.73		11.73	
Purchase of fixed assets	(3,188.26)		1,090.71	
Consideration received on disposal of subsidiary	-		10,500.00	
Sale of fixed assets	519.84		3.52	
<b>Net cash from investing activities</b>		1,792.00		8,668.42
<b>C Cash flows from financing activities</b>				
Proceeds from borrowings	52,898.97		29,858.00	
Repayment of borrowings	(77,789.14)		(57,450.10)	
Expenses on increase in authorised share capital	-		(16.34)	
Interest paid	(51,228.25)		(55,344.49)	
<b>Net cash used in financing activities</b>		<b>(76,118.42)</b>		<b>(82,952.93)</b>
Net increase in cash and cash equivalents (A + B + C)		(4,666.45)		(3,451.58)
Cash and cash equivalents at the beginning of the year/period		18,914.47		22,670.65
Less : Delink of subsidiary		-		304.60
Cash and cash equivalents at the end of the year/period		<b>14,248.02</b>		<b>18,914.47</b>
Components of cash and cash equivalents as at				
Cash on hand		1,548.11		475.21
With banks - on current account		409.01		2,279.07
- on Unpaid dividend account		-		14.30
- on escrow account		202.91		27.71
- on deposit account *		10,427.99		16,118.18
- on DSRA		1,660.00		-
<b>Total</b>		<b>14,248.02</b>		<b>18,914.47</b>

\* Includes fixed deposits of ₹ 1088.45 Lacs (previous year ₹ 1088.45 Lacs) pledged with bank as security for bank guarantees, ₹ 6427.00 Lacs (previous year ₹ 6427.00 Lacs) with bank for Debt Service Reserve and ₹ 6931.40 Lacs (previous year ₹ 6931.40 lacs) pledged with bank as security for bank overdraft.

Note : Figures in the brackets indicate outflow.

As per our Report of even date attached

For and on behalf of the Board of Directors

For **THAR & CO.**

Chartered Accountants,

Firm Registration Number: 110958W

**Rakesh Kumar Wadhawan**

Executive Chairman

**Sarang Wadhawan**

Vice Chairman & Managing Director

**Jayesh R. Thar**

(Partner)

Membership No. 032917

**Ashok Kumar Gupta**

Director

**Raj Kumar Aggarwal**

Director

**Hazari Lal**

Director

**Darshan D. Majmudar**

Chief Financial Officer & Company Secretary

Place : Mumbai

Date : May 28, 2016

**Sandhya Baliga**

Director

## 1 SIGNIFICANT ACCOUNTING POLICIES :

### A. Basis of Preparation

- a) The accompanying consolidated financial statements include the accounts of Housing Development And Infrastructure Limited(HDIL) and its subsidiaries collectively referred to as "the Group". All the subsidiaries have been incorporated in India. The details of the subsidiaries are as follows:

Name of the Subsidiaries	Percentage of holding
Privilege Power and Infrastructure Private Limited	100%
HDIL Entertainment Private Limited(upto 3 <sup>rd</sup> July 2014)	100%
Blue Star Realtors Private Limited	100%
Excel Arcade Private Limited	100%
Mazda Estates Private Limited	100%
Guruashish Construction Private Limited	100%
Ravijyot Finance and Leasing Private Limited	60%
BKC Developers Private Limited	99%
HC Infracity Private Limited	75%
Lashkaria Construction Private Limited	69%

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements comply in all material aspects with the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- c) Use of estimates :

The preparation of financial statements requires management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, the disclosures relating to the contingent liabilities as on the date of the financial statements and the reported amounts of revenues and expenses during the year reported. Actual results could differ from those estimates.

### B. Principles of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and joint ventures. In the preparation of these consolidated financial statements, investments in Subsidiaries and Joint Ventures have been accounted for in accordance with Accounting Standard (AS) 21 (Consolidated Financial Statements) and Accounting Standard (AS) 27 (Financial Reporting of Interests in Joint Ventures) respectively. The consolidated financial statements are prepared on the following basis:-

- Parent and its subsidiary Companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all Intra-Group balances and Intra-Group transactions and also unrealised profits or losses, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- Interest in the assets, liabilities, income and expenses of the joint ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealised profits/losses are eliminated to the extent of Company's proportionate share, except where cost cannot be recovered.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- Minority interest's share of net profits of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements.

(g) An interest in jointly controlled entities which is acquired and held exclusively with a view to its subsequent disposal in the near / foreseeable future is accounted for as an investment in accordance with Accounting Standard (AS) 13, Accounting for Investments.

**C. Segment reporting policies**

As the Group operates on a backward integration model and its business activity primarily falls within a single business segment which constitutes real estate development, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'. The Group operates primarily in India and there is no other significant geographical segments.

**D. Goodwill**

Goodwill is tested for impairment on periodical basis. If on testing, any impairment exists, the carrying amount of goodwill is reduced to the extent of any impairment loss and such loss is recognised in the Statement of Profit and Loss.

**E. Other Significant accounting Policies**

These are set out under Note No. 1 of "Significant Accounting Policies " as given in the Group's separate financial statements.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in Lacs)	
Particulars		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>2. SHARE CAPITAL</b>			
<b>Authorised</b>			
1,00,00,00,000 (previous year 50,00,00,000) Equity Share of ₹ 10/- each		<b>1,00,000.00</b>	<b>50,000.00</b>
<b>Issued, Subscribed and Paid up</b>			
41,90,03,986 (previous year 41,90,03,986) Equity Shares of ₹ 10/- each fully paid-up (Of the above 23,12,20,595 Equity shares of ₹ 10/- each were allotted as fully paid up bonus shares by way of capitalisation of General Reserve and Securities Premium)		41,900.40	41,900.40
<b>Total</b>		<b>41,900.40</b>	<b>41,900.40</b>
<b>Reconciliation of the number of shares outstanding :</b>			
<b>Equity Shares</b>		<b>Number</b>	<b>Number</b>
Shares outstanding at the beginning of the Year		41,90,03,986	41,90,03,986
<b>Shares outstanding at the end of the Year</b>		<b>41,90,03,986</b>	<b>41,90,03,986</b>
<b>Terms / rights attached to shares :</b>			
The Company has only one class of shares i.e. equity shares of ₹ 10/- each. Shareholders are entitled to vote in accordance with their shareholding in the Company and receive dividend as and when declared by the Company.			
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.			
<b>Shares in the Company held by each shareholder holding more than 5 percent :</b>			
Rakesh Kumar Wadhawan	Number	7,60,47,661	7,60,47,661
	%	18.15%	18.15%
Orbis SICAV - Asia Ex- Japan Equity Fund	Number	3,44,33,395	3,29,90,632
	%	8.22%	7.87%
Platinum Investment Management Limited A/C Platinumasia Fund	Number	2,85,37,227	3,14,46,227
	%	6.81%	7.50%
Merrill Lynch Capital Market Espana S.A. S.V.	Number	-	2,72,98,007
	%		6.51%

		(₹ in lacs)	
Particulars		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>3. RESERVE AND SURPLUS</b>			
<b>Capital Reserve</b>			
Opening Balance		6.00	6.00
<b>Closing Balance</b>		<b>6.00</b>	<b>6.00</b>
<b>Capital Redemption Reserve</b>			
Opening Balance		62.07	62.07
<b>Closing Balance</b>		<b>62.07</b>	<b>62.07</b>
<b>Securities Premium Account</b>			
Opening Balance		4,91,116.64	4,91,132.98
Less : Share issue expenses written off		-	16.34
<b>Closing Balance</b>		<b>4,91,116.64</b>	<b>4,91,116.64</b>
<b>Debenture Redemption Reserve</b>			
Opening Balance		70,227.21	74,104.83
Add : Transferred from Statement of Profit and Loss		5,424.09	26,700.00
Less : Transferred to General Reserve		43,651.78	30,577.62
<b>Closing Balance</b>		<b>31,999.52</b>	<b>70,227.21</b>
<b>General Reserve</b>			
Opening Balance		5,13,605.54	4,83,027.92
Add : Transferred from Debenture Redemption Reserve		43,651.78	30,577.62
<b>Closing Balance</b>		<b>5,57,257.32</b>	<b>5,13,605.54</b>
<b>Surplus in the Statement of Profit and Loss</b>			
Opening Balance		(36,449.74)	(34,329.08)

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in lacs)	
Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Add : Excess provision for taxation no longer required	7,480.26	633.33
Add : Net Profit for the current year	26,613.46	21,865.13
Add : Mat Credit Availed	213.30	-
Less : Adjustment on account of depreciation as per Sch II of the Companies Act, 2013	-	711.81
Less : Loss of minority adjusted against majority interest	0.02	0.07
Add : Adjustments for subsidiaries added / delinked	-	2,792.76
Less : Transferred to Debenture Redemption Reserve	5,424.09	26,700.00
<b>Closing Balance</b>	<b>(7,566.83)</b>	<b>(36,449.74)</b>
<b>Total</b>	<b>10,72,874.72</b>	<b>10,38,567.72</b>
<b>4. LONG TERM BORROWINGS</b>		
<b>Secured Long Term Borrowings :</b>		
4,692 (previous year 16,242) Redeemable Non Convertible Debentures of ₹ 10 lacs each (Refer Note No : 4 (I) ,(II) and (IV)) *	16,307.48	22,837.30
Loans from Scheduled Banks (Refer Note No : 4 (III) and (IV) )	73,474.44	82,906.02
<b>Unsecured Long Term Borrowings</b>		
Loans and advances from Companies	350.25	350.25
Loans and advances from Director of one of the Subsidiary Company	73.14	73.14
<b>Total</b>	<b>90,205.31</b>	<b>1,06,166.71</b>
* In accordance with the terms of the issue of NCD, the Company has partially redeemed the Debenture in tranches and hence aggregate amount outstanding vis a vis numbers of outstanding debentures do not tally.		

**Details of securities and other terms and conditions are as under :**

**I) Secured Redeemable Non Convertible Debentures : -**

**a) Secured Redeemable Non Convertible Debentures (Listed) : -**

2,425 (Previous year 13,975) 12% Secured Redeemable Non – Convertible Debentures of ₹ 10.00 lacs each fully paid, interest payable quarterly, are issued on Private Placement basis to various banks. These Debentures are Secured by mortgage of immovable properties admeasuring to about 7,01,992 Sq. mtrs. situated at village Kasarali, District Thane and 1,47,341 Sq. mtrs. situated at Village Kopri, District Thane, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. These Secured Non – Convertible Debentures are redeemable commencing from December, 2012 from first tranche onwards at 33% each in third and fourth year and 34% at the end of fifth year.

**b) Secured Redeemable Non Convertible Debentures (Non listed) : -**

a) 2,267 (Previous year 2,267) 13.25% Secured Redeemable Non – Convertible Debentures of ₹ 10.00 lacs each fully paid, interest payable monthly, are issued on Private Placement basis to Life Insurance Corporation of India. The Debentures are secured by mortgage of 2,88,940 Sq. mtrs immovable properties situated at Village Doliv and Village Khardi, District Thane and further secured by mortgage of first to nine floors except 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup> floors of commercial building admeasuring 17,894.65 Sq. mtrs. situated at HDIL Towers, Survey No. 341(pt) CTS No. 608(pt), Bandra (East), Mumbai. These Secured Non - Convertible Debentures are redeemable in equal monthly instalment of ₹ 100.00 lacs each commencing from 5<sup>th</sup> October, 2013.

b) Securities of the debentures issued to Life Insurance Corporation of India are shared on pari-passu basis for the term loan from Life Insurance Corporation of India. (Also Refer to Note : 7(III)(b)).

**II) IDBI Trustee is the trustee to all the above Debentures issued.**

**III) Loans from Scheduled Banks :**

**a) Yes Bank Limited :**

Secured against Pari Passu charge on the immovable properties along with the structures built thereon, admeasuring 5,53,696 Sq. mtrs. Situated at village Kopari, District Thane, comprising of various survey numbers, admeasuring 4,18,006 Sq. mtrs further secured against Pari Passu charge on the Immovable properties situated at village Sasunavghar, District Thane, comprising of various survey numbers and pari-passu on all current assets of the project only including receivables/ future receipts pertaining to project. Rate of interest 15.50% (P.Y. 15.25%) p.a. payable monthly, Repayable after moratorium period of 48 months.

**b) Bank of India :**

Secured against First Pari Passu charge on the immovable properties along with the structures built thereon situated at village Sasunavghar, District Thane. A first charge/assignment in favour of Lenders of all the operating cash flows, treasury income, revenues / receivables, Project Agreement of the Project. Rate of interest 17.75% p.a. payable monthly, Repayable after moratorium period of 48 months. Door to Door tenor is 96 months.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## IV) All the above debentures and loans from schedule banks have been personally guaranteed by

- i) Executive Chairman of the Company
- ii) Vice Chairman and Managing Director of the Company

Maturity profile and Rate of interest of Non Convertible Debentures and Loan from Schedule Banks are as set out below:

Rate of Interest	Maturity Profile					Total
	Apr. 2017- Mar. 2018	Apr. 2018- Mar. 2019	Apr. 2019- Mar. 2020	Apr. 2020- Mar. 2021	Apr. 2021- Mar. 2022	
13.25%	4,773.21	4,773.21	4,773.21	1,988.85	-	16,308.48
15.50%	3,300.00	10,913.00	16,557.00	12,548.00	6,692.44	50,010.44
17.75%	7,500.00	7,500.00	7,500.00	964.00	-	23,464.00
<b>Total</b>	<b>15,573.21</b>	<b>23,186.21</b>	<b>28,830.21</b>	<b>15,500.85</b>	<b>6,692.44</b>	<b>89,782.92</b>

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>5. DEFERRED TAX LIABILITIES(NET)</b>		
<b>Arising on account of timing differences</b>		
<b>Liabilities</b>		
Related to fixed assets	2,094.76	2,078.50
	<u>2,094.76</u>	<u>2,078.50</u>
<b>Assets</b>		
Bonus payable	-	25.60
Provision for gratuity	109.13	73.39
Provision for encashment of leave	124.04	71.89
Preliminary expenses written off	2.00	1.69
Unabsorbed depreciation	13.33	12.34
	<u>248.50</u>	<u>184.91</u>
<b>Total</b>	<b>1,846.26</b>	<b>1,893.59</b>
<b>6. LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits :</b>		
Leave Encashment	227.15	167.23
<b>Total</b>	<b>227.15</b>	<b>167.23</b>
<b>7. SHORT TERM BORROWINGS</b>		
<b>Secured Short Term Borrowings :</b>		
Loans repayable on demand (For securities and other terms and conditions, refer Note 7- I)	8,209.82	6,771.15
Term Loans from Scheduled Banks (For securities and other terms and conditions, refer Note 7- II)	1,30,098.85	1,01,859.71
Term loans from Financial Institutions (For securities and other terms and conditions, refer Note 7- III)	54,457.71	55,942.33
<b>Total</b>	<b>1,92,766.38</b>	<b>1,64,573.19</b>

Details of securities and terms and conditions are as under :

### I) Loans repayable on demand from Schedule Bank :-

#### Punjab and Maharashtra Co-operative Bank Limited :-

Secured by pledge of fixed deposit receipts with the bank, current rate of interest 13% (Previous year 13%)

### II) Loans from Scheduled Banks

#### a) Central Bank of India :-

- i) Secured by registered mortgage of immovable properties admeasuring 40,468.56 Sq. mtrs. situated at CTS No. 637A, Premier Road, Village Kurla, Mumbai. Repayable in 40 monthly installments (Step up installments) of ₹ 300.00 lacs each

commencing from December, 2013 to March 2014, ₹ 349.00 lacs each commencing from April, 2014 to March 2015 and ₹ 500.00 lacs each commencing from April, 2015 to March 2017. Rate of interest base rate + 5 % p.a. payable monthly.

**b) The Jammu and Kashmir Bank :-**

- i) Term loan - I - Repayable in 12 quarterly installments of ₹ 834.00 Lacs each commencing from September 2014. Interest rate is base rate +3.50% p.a. payable monthly.
- ii) Term Loan - II - Secured by 1<sup>st</sup> Charge on the cash flows, receivables and project agreements/ project escrow account and project DSRA of the free sale area, and 1<sup>st</sup> charge by way of mortgage of development right. Loan repayable in 20 quarterly installments of ₹ 750.00 Lacs each commencing from September 2016. Interest rate is base rate + 3.00 % p.a. payable monthly.
- iii) Term Loan - III - Secured by 1<sup>st</sup> Charge on the cash flows, receivables, all current assets of the project and project agreements/ project escrow account and project DSRA of the free sale area and 1<sup>st</sup> charge by way of mortgage of development rights. Repayable in 16 quarterly installments of ₹ 938.00 Lacs each commencing from September, 2017. Interest rate is base rate + 3.00 % p.a. payable monthly.

All the above loans are secured by immovable properties admeasuring 2,91,610 Sq. mtrs. situated at Village Kopri, District Thane, comprising of various survey numbers.

**c) Allahabad Bank :-**

- i) Secured by registered mortgage over the total construction area of 1,12,140.10 Sq. mtrs. which includes free sale area admeasuring approximately 67,732.72 Sq. mtrs. at CTS no. 551/27,552(pt), 552/1, 552/5 to 12 of Village Nahur, Mumbai together with the structure standing thereon and further secured by 45,342 Sq. mtrs. of immovable properties situated at Village Chandansar, Dist. Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. Repayable in 12 equal quarterly installments of ₹ 1,250.00 lacs each commencing from June 2014. Rate of Interest base rate + 5% p.a. payable monthly.
- ii) Secured by exclusive charge on Escrow account as well as equitable mortgage of immovable properties admeasuring 54,970 Sq.mtrs at Village Maljipada, Dist. - Thane, comprising of various survey numbers. Repayable within 12 equal quarterly installments of ₹ 625.00 lacs each commencing from December 2014. Rate of interest is base rate + 5% p.a. payable monthly.
- iii) Secured by exclusive charge on all projects assets of the Company at Mulund and Palghar. Repayable in 4 equal quarterly installments of ₹ 425.00 lacs each commencing from March, 2017. Rate of interest is base rate + 5% p.a. payable monthly.

**d) Syndicate Bank :-**

Secured by pari passu charge over escrow of Cash flows arising out of the project Whispering Tower and further secured by immovable properties admeasuring 87,220 Sq.mtrs. situated at Village Doliv, Koshimbe, Dist. Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. Repayable in 12 equal quarterly installments ₹ 834.00 lacs each commencing from February 2015. Rate of Interest base rate + 3% p.a. payable monthly.

**e) Yes Bank Limited:-**

Secured by exclusive charge by way of registered mortgage on the four multiplexes having built - up area of 89,173.68 sq. ft. Repayable in 180 monthly installments comprising of ₹ 41.67 lacs for first three months and ₹ 49.59 lacs per months for balance period commencing from April, 2015.

**h) Union bank of India :**

Secured by registered mortgage of immovable properties admeasuring 1,23,365 Sq.mtrs. situated at Village Chandansar and admeasuring 1,23,360 Sq.mtrs situated at village Doliv, Khardi, Koshimbi, Dahisar and Kasarali, Dist. Thane, comprising of various survey numbers, owned by Privilege Power And Infrastructure Private Limited. Wholly owned subsidiary of the Company. Rate of interest 14.50% (previous year 14.50%) payable monthly. Repayable in 20 quarterly instalments of ₹ 10.00 Lacs each.

**III) Term Loans from Financial Institution :-**

**a) IL & FS - PMDO:-**

- i) Repayable in 18 quarterly installments of the staggered amount commencing from October, 2015. Rate of interest is 13.50% p.a. payable monthly.
- ii) Repayable in 12 quarterly installments commencing from February, 2016. Rate of interest of the Funded interest term loan is 13.50% p.a. payable monthly.

Both the loans are secured by registered mortgage of immovable properties admeasuring 1,21,970 Sq. mtrs. situated at Sasunavghar, comprising of various survey numbers, owned by the Company and 96,750 Sq. mtrs. situated at village Doliv, 1,60,390 Sq. mtrs. situated at village Khardi, 94,710 Sq. mtrs. situated at Dahisar and 66,640 Sq. mtrs. situated at Kasarali, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

iii) Secured by registered mortgage of Development rights of property admeasuring 24,400 Sq.mtrs located at Siddarth Nagar, Mumbai and first and exclusive registered mortgage of 51,880 Sq.mtrs of land located at Maljipada village Taluka Vasai. Rate of interest of 20.00% p.a. (previous year 20 % p.a.) payable quarterly.

**b) Life Insurance Corporation of India :-**

- i) Term loan is secured by registered mortgage of immovable properties situated at Village Doliv and Village Khardi admeasuring 2,88,940 Sq. mtrs. comprising of various survey numbers and further secured by mortgage of first to nine floors except 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup> floors of commercial building area admeasuring 18,194.54 Sq. mtrs. situated at HDIL Towers, Bandra (East), Mumbai. Repayable in 12 quarterly installments of ₹ 1688.15 lacs each commencing from September, 2016. Rate of interest is 13% p.a. payable monthly.
- ii) Securities of the Term loan from Life Insurance Corporation of India are shared on pari-passu basis along with the security for Non Convertible Debentures issued to Life Insurance Corporation of India. (Also refer to Note No. : 4 (I)(b)).

**IV) All the above loans have been personally guaranteed by**

- i) Executive Chairman of the Company
- ii) Vice Chairman and Managing Director of the Company

(₹ in lacs)

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>8. TRADE PAYABLES</b>		
Trade Payables		
- Micro, Small and Medium Enterprises	-	-
- Others	48,978.12	44,643.17
<b>Total</b>	<b>48,978.12</b>	<b>44,643.17</b>
 <b>Micro, Small and Medium Enterprises</b>		
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Group. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.		
 <b>9. OTHER CURRENT LIABILITIES</b>		
<b>Current maturities of long term debts :</b>		
Redeemable Non Convertible Debentures (For securities and other terms and conditions, refer Note 4- I, II, IV& V)	15,692.04	52,814.00
Loans from Scheduled Banks		
Interest accrued but not due on loans	705.45	1,795.71
Interest accrued and due on loans	35,259.21	19,821.28
Advances from customers	1,73,686.90	2,03,509.96
Unpaid dividend	-	7.70
Other payables :		
Due from employees	541.95	320.05
Statutory dues	2,008.52	2,668.85
Security deposit received	1,875.26	1,020.83
Others	70,411.35	59,734.78
<b>Total</b>	<b>3,00,180.68</b>	<b>3,41,693.16</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>10. SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits :</b>		
Gratuity	329.52	221.38
Leave Encashment	143.11	48.26
	472.63	269.64
<b>Other Provisions :</b>		
Provision for taxation	45,494.49	50,545.55
Less : Tax Paid	30,785.33	29,326.81
	14,709.16	21,218.74
<b>Total</b>	<b>15,181.79</b>	<b>21,488.38</b>

## 11. FIXED ASSETS

(₹ in lacs)

Description	COST				DEPRECIATION				NET BLOCK		
	As at 1 <sup>st</sup> April, 2015	Additions during the year	Sale / adjustments during the year	As at 31 <sup>st</sup> March, 2016	Up to 31 <sup>st</sup> March, 2015	For the year	Adjustments *	On sale / adjustment during the year	Up to 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Own assets :</b>											
<b>Tangible assets :</b>											
Freehold Land	693.28	-	693.28	-	-	-	-	-	-	-	693.28
Buildings	10,693.42	2,976.88	201.91	13,468.39	915.78	169.83	-	20.72	1,064.89	12,403.50	9,777.64
Plant and Machinery	886.14	2.34	0.77	887.71	217.61	96.51	-	0.22	313.90	573.81	668.53
Furniture and Fixtures	562.88	0.37	-	563.25	225.99	80.07	-	-	306.06	257.19	336.89
Vehicles	1,108.44	170.22	44.38	1,234.28	706.83	149.91	-	31.62	825.12	409.16	401.61
Office Equipments	541.84	19.05	0.17	560.72	437.67	63.21	-	0.17	500.71	60.01	104.17
Computers	411.85	19.40	-	431.25	400.12	10.70	-	-	410.82	20.43	11.73
<b>Total (A)</b>	<b>14,897.85</b>	<b>3,188.26</b>	<b>940.51</b>	<b>17,145.60</b>	<b>2,904.00</b>	<b>570.23</b>	<b>-</b>	<b>52.73</b>	<b>3,421.50</b>	<b>13,724.10</b>	<b>11,993.85</b>
<b>Intangible Assets</b>											
Softwares	749.18	-	-	749.18	739.91	5.36	-	-	745.27	3.91	9.27
<b>Total (B)</b>	<b>749.18</b>	<b>-</b>	<b>-</b>	<b>749.18</b>	<b>739.91</b>	<b>5.36</b>	<b>-</b>	<b>-</b>	<b>745.27</b>	<b>3.91</b>	<b>9.27</b>
<b>Total (A+B)</b>	<b>15,647.03</b>	<b>3,188.26</b>	<b>940.51</b>	<b>17,894.78</b>	<b>3,643.91</b>	<b>575.59</b>	<b>-</b>	<b>52.73</b>	<b>4,166.77</b>	<b>13,728.01</b>	<b>12,003.12</b>
<b>Previous year</b>	27,062.23	1,096.27	12,511.47	15,647.03	4,888.79	817.12	711.81	2,773.81	3,643.91	12,003.12	22,173.44
Capital Work- in-Progress											

\* Pursuant to the enactment of Companies Act 2013, the Company is applying the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortisation. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives had expired as at 1<sup>st</sup> April, 2014 have been adjusted, in the opening balance of Surplus as on 1<sup>st</sup> April, 2014 in the Statement of Profit and Loss amounting to ₹ 711.81 Lacs. Depreciation expenses for the year ended 31<sup>st</sup> March, 2016 is higher by ₹ Nil and for the year ended 31<sup>st</sup> March, 2015 was higher by ₹ 338.93 Lacs due to this revision.

(₹ in lacs)

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>12. GOODWILL</b>		
Balance as per last balance sheet	-	714.83
Less: Impairment during the year	-	714.83
<b>Total</b>	<b>-</b>	<b>-</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in lacs)	
Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>13. NON CURRENT INVESTMENTS</b>		
Investments (At Cost) (Non Trade) (Long Term)		
Investment in immovable property		
Investment in property at HDIL Towers	-	2,976.88
Investment in property - Flats at Virar	13.06	13.06
Investment in property - Pali Arcade	313.72	313.72
Leased out Multiplex at Vasai	778.15	778.15
Leased out Multiplex at Borivali	1,609.63	1,609.63
Leased out Multiplex at Dreams Mall, Bhandup	2,638.92	2,638.92
Leased out Multiplex at Harmony Mall	3,191.70	3,191.70
Leased out Properties - Dreams Mall, Bhandup	2,765.88	2,765.88
	<b>11,311.06</b>	<b>14,287.94</b>
<b>Other than trade (Unquoted Shares)</b>		
Punjab & Maharashtra Co-op. Bank Limited		
3,90,040 (previous year 3,90,040) Equity shares of ₹ 25/- each fully paid up	97.51	97.51
Dreams The Mall Company Limited		
93,957 (previous year 93,957) Equity Shares of ₹ 10/- each fully paidup	9.40	9.40
	<b>106.91</b>	<b>106.91</b>
<b>In Mutual Funds</b>		
Union KBC Mutual Fund		
2,50,000 (previous year 2,50,000) units of Union KBC Capital Protection Oriented Fund - Series 2 - Regular Growth Plan ₹ 10/- each fully paid up (NAV as on 31/03/2016 N.A.) (previous year ₹ 32.08 Lacs)	-	25.00
	-	<b>25.00</b>
<b>Other corporate (Unquoted)</b>		
Privilege Hi Tech Infrastructure Limited		
11,900 (Previous year 11,900) Equity shares of ₹ 10/- each fully paid up	1.19	1.19
Lashkaria Housing and Infrastructure Private Limited		
15,440 (previous year 15,440 ) 0.01% Redeemable preference shares of ₹ 10/- each fully paid up	1,544.00	1,544.00
	<b>1,545.19</b>	<b>1,545.19</b>
<b>Total</b>	<b>12,963.16</b>	<b>15,965.04</b>
In the opinion of the management, the value of above non current investments is not less than as stated, if realised in the ordinary course of business.		
<b>14. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Security Deposits	54.69	48.70
Others		
Land purchase /tenancy / claims / development rights	4,045.00	4,050.00
Tax paid in advance	1,048.00	46.26
Income tax refund receivable	141.62	197.68
Other receivable	2,938.14	2,940.14
<b>Total</b>	<b>8,227.45</b>	<b>7,282.78</b>
In the opinion of the management, the value of above long term loans and advances is not less than as stated, if realised in the ordinary course of business.		

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in lacs)	
Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>15. CURRENT INVESTMENT</b>		
<b>Current Investments (at lower of cost or market value)</b>		
<b>In joint ventures</b>		
Fine Developers (Fixed Capital ₹ Nil) (Share of profit-90%, other partner is Sapphire Land Development Private Limited and share of profit - 10%)	1.57	1.57
Heritage Housing Development Corporation (Fixed Capital ₹ Nil) (Share of profit-60%, other partner and share of profit is Pioneer India Developers Private Limited - 40%.)	100.00	-
Lashkaria Housing and Infrastructure Private Limited (Share of profit- 10 %)	793.28	793.28
<b>Total</b>	<b>894.85</b>	<b>794.85</b>
In the opinion of the management, the value of above current investments is not less than as stated, if realised in the ordinary course of business.		
<b>16. INVENTORIES</b>		
Work -in-progress (lower of cost or net realisable value)	13,31,738.62	12,85,346.91
Finished goods (lower of cost or net realisable value)	32,292.94	22,549.74
<b>Total</b>	<b>13,64,031.56</b>	<b>13,07,896.65</b>
In the opinion of the management, the value of above inventories is not less than as stated, if realised in the ordinary course of business.		
<b>17. TRADE RECEIVABLES</b>		
<b>Exceeding six months</b>		
Unsecured, Considered good	18,202.56	25,007.84
<b>Other</b>		
Unsecured, Considered good	8,148.06	5,409.49
<b>Total</b>	<b>26,350.62</b>	<b>30,417.33</b>
In the opinion of the management, the value of above trade receivables is not less than as stated, if realised in the ordinary course of business.		
<b>18. CASH AND BANK BALANCES</b>		
a) Cash and Cash Equivalents		
Cash on hand	1,548.11	475.21
Balance with banks		
In current accounts	409.01	2,279.07
b) Other bank balances		
In Deposit with more than 3 months maturity *	10,427.99	16,118.18
Current Account balance with banks in unpaid dividend account	-	14.30
Current Account balances in escrow account	202.91	27.71
Debt Service Reserve Account	1,660.00	-
<b>Total</b>	<b>14,248.02</b>	<b>18,914.47</b>
* includes fixed deposits of ₹ 1,088.45 lacs (previous year ₹ 1,088.45 lacs) pledged with bank as security for bank guarantees, ₹ Nil (previous year ₹ 6427.00 lacs) with bank for Debt Service Reserve and ₹ 7,942.27 lacs (previous year ₹ 6,931.40 lacs) pledged with bank as security for bank overdraft.		

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in lacs)	
Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	
<b>19. SHORT TERM LOANS AND ADVANCES</b>			
<b>Unsecured, considered good</b>			
a) Loans and advances to related parties (To a partnership firm, in which Directors of one of the Subsidiary Company are partners)	284.42	286.27	
b) Others			
Security Deposits	546.06	510.80	
Advance to suppliers	33,746.55	57,318.46	
Advances for land purchase /tenancy / claims / development rights	2,87,526.95	3,09,237.58	
Loans to employees	44.60	29.84	
Income tax paid	0.04	-	
Prepaid expenses	37.41	54.12	
Interest accrued on fixed deposits	976.52	378.52	
Cenvat Credit	87.69	-	
Cenvat Credit entitlement	1,122.86	669.55	
Other receivable	70.93	70.90	
<b>Total</b>	<b>3,24,444.03</b>	<b>3,68,556.04</b>	
In the opinion of the management, the value of above short term loans and advances is not less than as stated, if realised in the ordinary course of business.			

		(₹ in lacs)	
Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015	
<b>20. REVENUE FROM OPERATION</b>			
Sale of Product			
Sale of commercial and residential units	67,251.21	83,071.13	
Sale of development rights/FSI/Land/TDR	48,104.39	16,728.84	
Sale of foods and beverages	-	195.17	
Sale of Services	-	569.01	
<b>Total income from operations</b>	<b>1,15,355.60</b>	<b>1,00,564.15</b>	
Other operating income			
Lease rental	659.72	1,104.04	
Others	930.16	579.36	
<b>Total Other operating income</b>	<b>1,589.88</b>	<b>1,683.40</b>	
<b>Total</b>	<b>1,16,945.48</b>	<b>1,02,247.55</b>	
<b>21. OTHER INCOME</b>			
Interest received	1,534.21	1,837.96	
Dividend received (From Co-operative Bank)	11.73	11.73	
Interest on Income Tax Refund	5.44	1.05	
Maintenance charges	628.95	53.99	
Flat cancellation charges	0.97	-	
Income from sale of investments	-	3,301.70	
Income from sale of mutual funds	7.16	143.50	
Miscellaneous income	113.15	714.73	
<b>Total</b>	<b>2,301.61</b>	<b>6,064.66</b>	

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>22. COST OF MATERIAL CONSUMED</b>		
Tenancy / claims / FSI / development rights	4,776.36	5,461.10
Consumption of materials	76,572.09	71,965.29
Box office purchase and operating expenses	-	54.72
<b>Total</b>	<b>81,348.45</b>	<b>77,481.11</b>
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
Opening finished goods/stock in trade	22,549.74	25,368.46
Opening work-in-progress	12,85,346.91	12,21,374.85
Less Adjustment during year	-	5,901.87
<b>Sub Total</b>	<b>13,07,896.65</b>	<b>12,40,841.44</b>
Closing finished goods/stock in trade	32,292.94	22,549.74
Closing Work in progress	13,31,738.62	12,85,346.91
<b>Sub Total</b>	<b>13,64,031.56</b>	<b>13,07,896.65</b>
<b>Total</b>	<b>(56,134.91)</b>	<b>(67,055.21)</b>
<b>24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and incentives	3,906.41	3,703.28
Contributions to - Provident and other fund	365.64	347.30
Staff welfare expenses	81.11	68.83
<b>Total</b>	<b>4,353.16</b>	<b>4,119.41</b>
<p>As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :</p> <p>The Company has created Employee's Group Gratuity Fund with Life Insurance Corporation of India, and obtained Group Gratuity Assurance Policy from Life Insurance Corporation for the benefit of employees.</p> <p><b>A) Gratuity Plan :-</b></p> <p><b>Defined Benefit Plan</b></p> <p>The employees' gratuity fund scheme maintained by a Trust and managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.</p> <p><b>i) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:</b></p>		
Obligation at beginning of year	443.46	372.85
Delink of subsidiary	-	(16.73)
Interest cost	36.05	30.57
Current service cost	67.05	53.50
Prior Year Charge	11.49	0.04
Benefits paid	(7.60)	(39.34)
Benefits payable	(25.47)	(0.53)
Actuarial (gain) / loss on defined benefit obligation	16.29	43.10
<b>Obligation at year end</b>	<b>541.27</b>	<b>443.46</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>ii) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:</b>		
Opening fair value of plan assets	222.08	255.52
Delink of subsidiary	-	(18.09)
Expected return	28.10	21.13
Actuarial gains and (losses)	(10.69)	(0.41)
Contribution by employer	-	0.23
Benefits paid	(27.74)	(36.30)
<b>Closing fair value of plan assets</b>	<b>211.75</b>	<b>222.08</b>
<b>iii) Amounts to be recognised in the Balance Sheet</b>		
Projected benefit obligation, at the end of the year	541.27	443.46
Fair value of plan assets at end of the year	211.75	222.08
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>329.52</b>	<b>221.38</b>
<b>iv) Gratuity cost for the year</b>		
Current service cost	67.05	53.50
Adjustment to opening fund	0.03	0.04
Interest cost on obligation	36.05	30.57
Expected return on plan assets	(28.10)	(21.13)
Net actuarial (gain) / loss	26.98	43.51
Reversal of benefits payable in previous year	-	(4.23)
Expense recognised in the Statement of Profit and Loss	<b>102.01</b>	<b>102.26</b>
<b>B) Leave encashment liability :-</b>		
<b>i) The AS-15 (Revised 2005) stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation.</b>		
<b>ii) Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.</b>		
The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
<b>a) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:</b>		
Obligation at beginning of year	215.49	186.18
Delink of subsidiary	-	(14.76)
Interest cost	19.31	15.93
Current service cost	41.05	31.39
Prior year charge	60.09	5.86
Benefits paid	-	-
Actuarial (gain) / loss on defined benefit obligation	34.33	(9.11)
<b>Obligation at year end</b>	<b>370.27</b>	<b>215.49</b>
<b>b) Amounts to be recognised in the Balance Sheet</b>		
Present value of Defined benefits obligation as on	370.27	215.49
Fair value of plan assets as on	-	-
<b>Liability recognised in Balance Sheet</b>	<b>370.27</b>	<b>215.49</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>c) Leave Encashment cost for the year</b>		
Current service cost	41.05	31.39
Interest cost on obligation	19.31	15.93
Expected return on plan assets	-	-
Prior year charge	60.09	5.86
Net actuarial (gain) / loss	34.33	(9.11)
Expense recognised in the Statement of Profit and Loss	<b>154.78</b>	<b>44.07</b>
<b>C) Valuation Assumptions</b>		
Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.		
i) Discount Rate	7.80%	7.70%
ii) Salary Growth	7.00%	7.00%
iii) Expected rate of return		
- Gratuity	7.80%	8.00%
- Leave encashment	NA	NA
iv) Mortality	Indian Assured Lives Mortality (2006-08)	
v) Withdrawals	5% at younger ages reducing to 1% to older ages	
vi) Retirement age	60 years or 65 Years As Applicable	
vii) Leave Consumption Factors	a) For holding Company	
	1.25% at all ages (previous year 10% at younger ages tapering to 2% at older ages)	
	b) For subsidiary Company	
	1.75% at all ages (previous year 10% at younger ages tapering to 2% at older ages)	
viii) Method of Valuation	Projected Unit Credit Method	
<b>25. FINANCE COST</b>		
a) Interest expenses :		
Project specific interest expenses	45,357.77	49,482.78
Other interest	4,869.26	5,625.50
	-	-
b) Other finance cost		
Project specific	1,000.00	236.16
Other	1.22	0.05
<b>Total</b>	<b>51,228.25</b>	<b>55,344.49</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in lacs)	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>26. OTHER EXPENSES</b>		
Advertisement and sales promotion expenses	359.13	1,099.45
Commission and brokerage	673.49	211.90
Electricity charges	1,159.06	1,317.50
Insurance charges	6.63	18.75
Bank Charges	30.88	71.27
Other expenses	2,248.21	329.67
Loss on sale of fixed assets	367.93	1.47
Loss by fire	-	0.21
Loss on foreign exchange fluctuation	2.22	0.07
Membership and subscription	10.87	11.42
Printing and stationery	65.20	74.86
Security charges	485.78	392.19
Professional fees	1,326.75	1,044.63
Rent paid	26.25	76.10
Rates and taxes	1,041.33	886.82
Repairs and maintenance to buildings	2.68	3.85
Repairs and maintenance to machineries	-	22.03
Repairs and maintenance to other assets	18.63	134.09
Stamping and registration	209.72	112.61
Film share and other expenses	-	208.38
Business conducting fees	-	35.82
Outsourced personnel cost	-	67.79
Communication expenses	106.52	124.41
Postages and telegram expenses	3.14	5.68
Travelling and conveyance expenses	369.54	359.60
Professional Tax	0.10	-
Remuneration to auditors (Refer Note No. 26.01)	134.99	135.49
Directors remuneration and sitting fees (Refer Note No. 26.02)	215.39	209.80
Donations	-	33.00
Filing fees paid to the Registrar of Companies	1.14	0.93
Expenses for increase in authorised capital	-	120.84
<b>Total</b>	<b>8,865.58</b>	<b>7,110.63</b>
<b>Above expenses includes Project related expenses</b>	<b>4,232.89</b>	<b>3,912.54</b>
<b>26.01. Remuneration to Auditors</b>		
a. Audit fees	72.26	68.17
b. Taxation matters	62.73	67.32
<b>Total</b>	<b>134.99</b>	<b>135.49</b>
<b>26.02. Managerial Remuneration</b>		
a) Commission to Non Executive Directors	200.00	200.00
b) Sitting fees	15.39	9.80
<b>Total</b>	<b>215.39</b>	<b>209.80</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>27. EARNINGS PER EQUITY SHARE HAS BEEN COMPUTED AS UNDER:</b>		
(a) Net profit after tax as per Statement of Profit and Loss	26,613.46	21,865.13
Add: MAT credit entitlement	213.30	-
Add: Excess provision for tax of earlier years	7,480.26	633.33
Less :Adjustment on account of depreciation as per Sch II of the Companies Act,2013	-	711.81
Less : Loss of minority adjusted against majority interest	0.02	0.07
Net Profit attributable to Equity Shareholders	<b>34,307.00</b>	<b>21,786.58</b>
(b) Number of fully paid equity shares used in computing earnings per equity share		
Basic	41,90,03,986	41,90,03,986
Diluted	41,90,03,986	41,90,03,986
(c) Basic Earnings per share	8.19	5.20
(d) Diluted Earnings per share	8.19	5.20
(e) Nominal value per equity share is ₹ 10/-		

**28. A. List of related parties with whom transactions have taken place during the current accounting year and relationship:  
Enterprise significantly influenced by key management personnel**

1. Privilege Airways Private Limited

**Joint Venture**

1. Fine Developers
2. Heritage Housing Development Corporation

**Key management personnel**

Name	Designation
1. Shri Darshan D. Majmudar	Chief Financial Officer & Company Secretary
2. Smt. Romy Mehra	Director (HC Infracity Private Limited)
3. Shri. Gautam Mehra	Director (HC Infracity Private Limited)
4. Shri Virendra Vora	Director (Excel Arcade Private Limited)

**B. Transactions with related party**

(₹ in Lacs)

Nature of transaction	31 <sup>st</sup> March, 2016				31 <sup>st</sup> March, 2015			
	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Management Personnel	Total	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Management Personnel	Total
Advance from customers	-	-	-	-	-	-	1.50	1.50
Directors remuneration	-	-	-	-	-	-	54.00	54.00
Salary paid	-	-	60.00	60.00	-	-	60.00	60.00
Travelling expenses	64.10	-	-	64.10	-	-	-	-
Outstanding as at year end- Due from	-	101.58	-	101.58	-	1.58	-	1.58
Outstanding as at year end- Due to	47.72	-	-	47.72	600.69	-	-	600.69

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## C. Disclosure in respect of material transactions with related parties during the year (included in 'B' above)

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>Advances from customers</b>		
Shri Virendra Vora	-	1.50
	-	<b>1.50</b>
<b>Traveling Expenses</b>		
Privilege Airways Private Limited	64.10	-
	<b>64.10</b>	-
<b>Directors remuneration</b>		
Mrs. Romy Mehra	-	36.00
Mr. Gautam Mehra	-	18.00
	-	<b>54.00</b>
<b>Salary paid</b>		
Shri Darshan D. Majmudar	60.00	60.00
	<b>60.00</b>	<b>60.00</b>
<b>Outstandings:</b>		
Outstanding as at year end- Due from		
Fine Developers	1.58	1.58
Heritage Housing Development Corporation	100.00	-
	<b>101.58</b>	<b>1.58</b>
<b>Outstanding as at year end- Due to</b>		
Privilege Airways Private Limited	47.72	600.69
	<b>47.72</b>	<b>600.69</b>

Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>29. CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
a) i) Claims against the Company not acknowledged as debts (represents suits filed by the parties in the Courts, and disputed by the Company)	35,198.90	39,005.90
ii) Income-tax demands disputed by the Company (net of amounts provided).	83,258.29	56,138.12
b) Guarantees provided by the bank	662.02	7,372.65
c) Corporate guarantee		
i) The Company has facilitated a vendor financing, setting up with IDBI bank limit upto ₹ 5000.00 Lacs The Company has extended it's corporate guarantee to the IDBI bank.	5,000.00	5,000.00
<b>30. COMMITMENT</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	-	-
<b>31. Previous year figures have been reclassified to conform to this year's classification.</b>		

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants,  
Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)  
Membership No. 032917

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**

Executive Chairman

**Sarang Wadhawan**

Vice Chairman & Managing Director

**Ashok Kumar Gupta**

Director

**Raj Kumar Aggarwal**

Director

**Hazari Lal**

Director

**Darshan D. Majmudar**

Chief Financial Officer & Company Secretary

Place : Mumbai

Date : May 28, 2016

**Sandhya Baliga**

Director

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

(₹ in Lacs)

Name of Enterprises	Net Assets i.e. total assets Minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>				
Housing Development and Infrastructure Limited	80.30	10,99,719.81	99.56	26,496.25
<b>Subsidiaries</b>				
Privilege Power and Infrastructure Private Limited	2.63	36,040.30	0.46	122.68
Blue Star Realtors Private Limited	2.08	28,523.88	0.00	0.97
Excel Arcade Private Limited	0.03	474.77	-0.00	(0.75)
BKC Developers Private Limited	-0.00	(50.89)	-0.00	(1.22)
Guruashish Constructions Private Limited	4.20	57,553.78	0.02	6.14
HC Infracity Private limited	0.08	1,030.64	-0.04	(10.70)
Mazda Estate Private Limited	0.00	37.90	-0.00	(0.39)
Ravijyot Finance & Leasing Private Limited	0.00	37.05	-0.02	(4.21)
Lashkaria Construction Private Limited	0.11	1,446.37	-0.02	(5.18)
<b>Minority Interests in all subsidiaries</b>	-0.05	(726.89)	0.04	9.86
<b>Inter-Company Elimination &amp; Consolidation Adjustments</b>	10.62	1,45,509.32	-	-
<b>Grand Total</b>	<b>100.00</b>	<b>13,69,596.04</b>	<b>100.00</b>	<b>26,613.45</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FORM AOC-1

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

Particulars	HDIL	(₹ In Lacs)									
		Privilege Power and Infrastructure Private Limited	Blue Star Realtors Private Limited	Excel Arcade Private Limited	BKC Developers Private Limited	Guruashish Constructions Private Limited	HC Infra City Private limited	Mazda Estate Private Limited	Ravijyot Finance & Leasing Private Limited	Lashkaria Construction Privat Limited	
Paid-up share capital	41,900.40	16,105.00	691.09	195.40	10.00	1,700.00	41.00	50.00	1,000.00	1,000.00	
Reserves and surplus	10,57,819.42	19,935.32	27,832.79	279.37	(60.89)	55,853.78	(3.09)	(12.95)	446.37	446.37	
Total assets	15,76,504.88	1,35,214.44	41,897.71	7,466.98	6,605.15	1,05,196.51	42.57	19,765.85	7,122.52	7,122.52	
Total liabilities	4,76,785.07	99,174.14	13,373.83	6,992.21	6,656.04	47,642.73	4.67	19,728.80	5,676.15	5,676.15	
Investments (excluding investments in subsidiaries)	1,20,666.54	39.25	25.00	0.01	-	-	-	-	1,543.99	1,543.99	
Turnover (including other income)	1,19,109.46	347.05	3.00	-	-	12.25	-	-	3.24	3.24	
Profit before tax	28,854.11	175.49	1.43	(0.70)	(1.15)	6.05	(0.39)	(4.10)	(7.65)	(7.65)	
Provision for Current & Deferred tax	(2,357.86)	(52.81)	(0.46)	(0.05)	(0.07)	0.09	-	(0.11)	2.47	2.47	
Profit after tax	26,496.25	122.68	0.97	(0.75)	(1.22)	6.14	(0.39)	(4.21)	(5.18)	(5.18)	
Proposed dividend	-	-	-	-	-	-	-	-	-	-	
% of Shareholding		100.00%	100.00%	100.00%	98.50%	100.00%	100.00%	60.00%	69.00%	69.00%	

As per our Report of even date attached

For **THAR & CO.**

Chartered Accountants,

Firm Registration Number: 110958W

**Jayesh R. Thar**

(Partner)

Membership No. 032917

For and on behalf of the Board of Directors

**Rakesh Kumar Wadhawan**

Executive Chairman

**Sarang Wadhawan**

Vice Chairman & Managing Director

**Ashok Kumar Gupta**

Director

**Raj Kumar Aggarwal**

Director

**Hazari Lal**

Director

**Darshan D. Majmudar**

Chief Financial Officer & Company Secretary

**Sandhya Baliga**

Director

Place : Mumbai

Date : May 28, 2016



# Corporate Information

## BOARD OF DIRECTORS

### **Rakesh Kumar Wadhawan**

Executive Chairman

### **Sarang Wadhawan**

Vice Chairman & Managing Director

### **Ashok Kumar Gupta**

Non-Executive Independent Director

### **Lalit Mohan Mehta**

Non-Executive Independent Director

### **Raj Kumar Aggarwal**

Non-Executive Independent Director

### **Sandhya Baliga**

Non-Executive Independent Director

### **Hazari Lal**

Non-Executive Independent Director

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

### **Darshan D. Majmudar**

## AUDITORS

M/s. Thar & Co. Chartered Accountants

## BOARD COMMITTEES

### AUDIT COMMITTEE

Sandhya Baliga

Ashok Kumar Gupta

Lalit Mohan Mehta

Raj Kumar Aggarwal

### NOMINATION & REMUNERATION COMMITTEE

Lalit Mohan Mehta

Ashok Kumar Gupta

Raj Kumar Aggarwal

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Lalit Mohan Mehta

Sarang Wadhawan

Ashok Kumar Gupta

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Rakesh Kumar Wadhawan

Sarang Wadhawan

Lalit Mohan Mehta

## RISK MANAGEMENT COMMITTEE

Ashok Kumar Gupta

Sarang Wadhawan

Hazari Lal

## FINANCE COMMITTEE

Rakesh Kumar Wadhawan

Sarang Wadhawan

Ashok Kumar Gupta

## PROJECT COMMITTEE

Sarang Wadhawan

Rakesh Kumar Wadhawan

Ashok Kumar Gupta

## BANKERS / FINANCIAL INSTITUTIONS

Allahabad Bank

Andhra Bank

Bank of India

Canara Bank

Central Bank of India

Corporation Bank

Dena Bank

IDBI Bank Limited

India Infrastructure Finance Company  
Limited

Indian Bank

Infrastructure Leasing & Financial

Services Limited

Life Insurance Corporation of India

Oriental Bank of Commerce

Punjab & Maharashtra Co-op. Bank

Syndicate Bank

The Jammu & Kashmir Bank limited

UCO Bank

Union Bank of India

Vijaya Bank

Yes Bank Limited

## REGISTERED OFFICE

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Anant Kanekar Marg,  
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E-mail id: [info@hdil.in](mailto:info@hdil.in)

Website: [www.hdil.in](http://www.hdil.in)

## DEBENTURE TRUSTEE:

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
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Mumbai – 400 001

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Fax: +91 22 6631 1776

e-mail id: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

## REGISTRAR & SHARE TRANSFER AGENT

Karvy Computer share Private Limited  
Karvy Selenium Tower-B, Plot No. 31  
& 32, Financial District, Gachibowli,  
Nanakramguda, Serilingampally,  
Hyderabad – 500 032.

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Toll Free No.: 1800-3454-001

Fax: +91-040-2300 1153

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**HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED**

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