



HDIL Creating Value

Microstructures | Megastructures | Infrastructure
Housing Development and Infrastructure Ltd.

18TH ANNUAL REPORT 2013-14



DELIVERING ~ EXCELLENCE

Housing Development and Infrastructure Limited



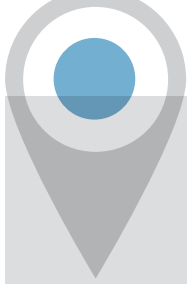
Excellence, to us, is not just expanding in numbers! It is deep-rooted and far-sighted in equal measure. It is an ideology with which the company has been incepted. It is fervor that motivates us to achieve the extraordinary. It is our journey beyond growth.

Throughout our journey the unstable market has thrown several tantrums at us. We have dealt with them with patience and experience. Our focus and dedication has seen us stride steadily.

As the market scenario gradually flips, the grass seems much greener. It is a moment well awaited for, and worth framing for a long time to come! It is a phase that spells happiness for all of us.

Today, as we surpass growth beyond statistics, we proudly cherish enhancing our customers' lives. A fact that's measured by the increasing curve on their faces – Smiles!

~ AT HDIL,
EXCELLENCE
SIGNIFIES GOING
BEYOND THE
DETERMINATION
TO GROW AND
THE ABILITY TO
DELIVER!



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Dear Fellow Shareowners,

I, welcome all my shareholders, Board of Directors to the Eighteenth Annual General Meeting of your Company for the Financial Year ("F.Y.") 2013-14. It is indeed my pleasure to interact with all my shareholders to give an outlook of the Company's performance for F.Y. 2013-14 and present a road map for F.Y. 14-15 and years ahead.

Indian economy has seen a slowdown during the last few years, leading to sub 5 % GDP rate. Higher inflation, supply side bottlenecks, policy paralyse, liquidity constraints and decreasing the capital investment by corporate sector have affected India's Growth story.

However, we have seen a historic electoral mandate, and vibrant Government policies in last 100 days have lead to signs of green shoot recovery with GDP growth of 5.7 % in first quarter of F.Y. 2014-15. Over next 5 years we may see growth rate return to 8% to 9%, lead by vibrant real estate sector.

Your Company during previous financial year has been able to face the macro economic challenges and managed to deliver a profit after tax of approx ₹ 177 crore, as against ₹ 73.32 crore in F.Y. 2012-13, an increase of 141.4%. The

~
CHAIRMAN'S
MESSAGE

“INTRODUCTION OF SLUM REHABILITATION AS A PART OF CSR ACTIVITY WILL REJUVENATE REAL ESTATE SECTOR AND WE KEENLY AWAIT THE GROWTH POTENTIAL.”

Company was successful in reducing its debt to ₹ 3,511 crore as against ₹ 4,018 crore in F.Y. 2012-13, an reduction of 14.44%. Company has been able to generate positive cash flow and maintained debt to equity ratio of 0.33 which is lowest in real estate sector.

As we move ahead in current financial year let me highlight some of the path breaking reforms in real estate sector. Liquidity has always been a constraint for this sector and with introduction of Real Estate Investment Trust ("REIT"), India would be able to attract more than 10 billion USD in terms of foreign capital. Affordable housing sector has seen reforms in term of relaxation of FDI norms, creation of 100 smart cities across India and providing tax reliefs in housing loans. Introduction of mandatory CSR contribution for the corporate and recognizing slum rehabilitation as a CSR activity, will accelerate the process of slum free India.

Your Company in this year has put a lot of focus on execution, possession of projects and has accelerated the monetization of its land bank. During last one year Company has handed over possession of more than 1,000 residential units, signifying its commitment towards the customers.

Your Company is zealously focused on strengthening the Balance Sheet and will follow its fiscal path of debt reduction. The Company has exited from its leisure and entertainment business to align with its strategies and to focus on its core business activities of real estate development.

Your Company is on verge of launching one of India's largest affordable housing scheme named 'Planet HDIL', which is located in Virar, periphery of Mumbai. Spanned across 550 acres, it will provide an affordable housing to one lac family and help achieving your Company's dream of house for everyone in Mumbai. Company also plans to develop smart cities on outskirts of Mumbai and will adopt latest technologies, urban infrastructure tools to build environment friendly cities.

Further your Company will also focus with renewed interest in Slum Rehabilitation schemes, redevelopment projects and strengthen its position as one of the largest real estate developers in Mumbai and India.

Company would like to thank all its shareholders, Board of Directors, bankers, contractors, business partners, all its employees and Government agencies, and would be looking for their continuous support. Your Company is poised to enter into a new growth phase and will unlock the value ride on new sense of optimism and accelerate the growth potential.

Yours sincerely,



Rakesh Kumar Wadhawan

Executive Chairman



RESIDENCY PARK, VIRAR



PREMIER EXOTICA, KURLA



MAJESTIC TOWERS, NAHUR



GALAXY TOWERS, KURLA



WHISPERING TOWERS, MULUND



PARADISE CITY, PALGHAR



~ EXCELLENCE
EPITOMIZES THE
CONTENTMENT
OF TOUCHING
LIVES, AND
TRANSFORMING
LIFESTYLES!

Very few get an opportunity to convert dreams into reality. We are glad to be among them. We owe it to our visionaries for their impeccable leadership. It has enabled us to create opportunities of growth and deliver solutions to fulfill dreams. It is a bond of companionship that will only deepen with time and tighten with every momentous achievement.

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED will be held on Tuesday, September 30, 2014 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 receive, consider and adopt:
 - (a) the Audited Financial Statement comprising of Statement of Profit & Loss for the year ended March 31, 2014 and the Balance Sheet of the Company as on that date together with the Report of the Directors and the Auditors thereon and
 - (b) the Audited consolidated Financial Statements of the Company for the financial year ended March 31, 2014.
2. To appoint Director in place of Mr. Waryam Singh (DIN: 00230462), who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Ashok Kumar Gupta, (DIN: 00145816) who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard 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 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Thar & Co., Chartered Accountants, (Firm Registration Number. 110958W) be and are hereby appointed as Auditors of the Company for a term of two financial years up to March 31, 2016, from the conclusion of the ensuing Annual General Meeting (“AGM”) until conclusion of the twentieth AGM of the Company (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

5. To appoint Mr. Shyam Sunder Dawra (DIN:00310987) as an Independent Director and in this regard to consider 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and clause 49 of the listing agreement, Mr. Shyam Sunder Dawra (DIN: 00310987), Director of the Company who retires by rotation at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, is no longer liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019.

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 thereof for the time being in force), Mr. Shyam Sunder Dawra 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.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and qualification of Directors) Rules, 2014, made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to Act and clause 49 of the listing agreement, Mr. Lalit Mohan Mehta (holding DIN: 00458975), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, is no longer liable to retire by rotation and who in accordance with the Act is required to be appointed as an Independent Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019.

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 thereof for the time being in force), Mr. Lalit Mohan Mehta 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.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and qualification of Directors) Rules, 2014, made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to Act and clause 49 of the listing agreement, Mr. Raj Kumar Aggarwal (DIN: 02034914), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, is no longer liable to retire by rotation and who in accordance with the Act is required to be appointed as an Independent Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions of Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Raj Kumar Aggarwal 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.”

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

Payment of commission to Non-Executive Directors

“RESOLVED THAT pursuant to provisions of Section 197 with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, thereon

- or any statutory modification(s) or re-enactment thereof and the Articles of Association of the Company and applicable statutory approval(s), consent of the Members be and is hereby accorded for making payment of Commission up to 1% of the net profit to Non-Executive Directors of the Company subject to maximum amount of Rs. 2,00,00,000/- (Rupees Two Crores only) annually, in such proportion as may be decided by Board of Directors for three financial years commencing from Financial Year 2014-15 upto financial year 2016-17.”
9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**
- “RESOLVED THAT** pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) read with Rules made thereunder (including any statutory modifications and re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to amend the Articles of Association of the Company, by inserting following new Article 2A after Article 2:
- “2A Wherever in Companies Act, 2013 (‘the Act’), it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction(s) only if the Company is so authorize by its Article, then and in that case by virtue of this Article, the Company is hereby specifically authorized, empowered and entitled to have such rights, privilege or authority, to carry out such transaction(s) as have been permitted by the Act without there being any separate/specific article in that behalf herein provided.”**
- RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be deemed necessary or expedient, to give effect to this 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: August 25, 2014
- REGISTERED OFFICE:**
9-01, HDIL Towers,
Anant Kanekar Marg,
Bandra (East), Mumbai – 400 051
- NOTES:**
- A Member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**
 - The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (“The Act”) in respect of the business under Item Nos. 5 to 9 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors, are also annexed.
 - Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
 - 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.
 - Members who hold shares in dematerialised form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of Membership at the Meeting.
 - Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 - The Register of Members and Transfer Books of the Company will be closed from September 26, 2014 to September 30, 2014, both days inclusive.
 - Brief profile of the Directors proposed to be appointed/re-appointed, as required under Clause 49 of the Listing Agreement with the Stock Exchange(s) is attached to this Notice.
 - In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2007-08 is due for transfer to the said Fund in August 2014. In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said transfer.
 - Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 10.00 A.M. and 12.00 noon up to the date of the Meeting.
 - Queries on accounts of the Company, if any, may be sent in writing to the Company Secretary ten days in advance of the Meeting so as to enable the Management to keep the information ready at the Meeting.
 - Members are requested to notify immediately about any change in their address/ mandate/email/ bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company’s Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Plot no.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.
 - Under Section 72 of the Companies Act, 2013, Members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B in duplicate to the Company’s R & T Agent at above address.

E-VOTING INSTRUCTIONS

Instructions for Members for voting electronically are as under

- A) In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. **User ID and password** mentioned overleaf). Your Folio No./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.
 - iii. After entering these details appropriately, click on "LOGIN". You will now reach password change Menu wherein you are required to mandatorily change your password. 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 prompt you to change your password and update your contact details like mobile number, email 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.**
 - iv. You need to login again with the new credentials.
 - v. On successful login, the system will prompt you to select the E-Voting Event Number for Housing Development and Infrastructure Limited.
 - vi. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - vii. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
 - viii. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - ix. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. **During the voting period, members can login any number of times till they have voted on the Resolution(s).**
 - xi. **Corporate/Institutional members (i.e. other than Individuals, HUF, NRI, etc.)** are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen

signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: scrutinizer@mgconsulting.in with a copy to evoting@karvy.com. 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 a member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:
 - i. Please follow all steps from Sr. No. (i) to (xi) as mentioned in (A) above, to cast your vote.
- C) **The e-voting facility will be available during the following period:**
Commencement of e-voting : From 9.00 a.m. (IST) on September 24, 2014
End of e-voting : Up to 6.00 p.m. (IST) on September 26, 2014
- D) If you are already registered with Karvy for e-voting then you have to use your existing User ID and password/PIN for casting your vote.
- E) **Once the vote on a Resolution is cast by a Member, he shall not be allowed to change it, subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the meeting**
- F) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- G) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being **Friday, August 29, 2014.**
- H) Company has appointed Mr. Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai (Membership No. FCS 6252 C. P. No: 3531) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- I) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
- J) The Results on Resolutions shall be declared at or after the Annual General Meeting of the Company and the Resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- K) The Results declared along with the Scrutinizer's Report(s) will be available on the website Karvy (<https://evoting.karvy.com>) within two (2) days of passing of the Resolutions and communication of the same to BSE Limited and National Stock Exchange Limited.

Important Communication to Members

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

EXPLANATORY STATEMENT

(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. 5 to 9 of the accompanying Notice:

ITEM NO. 5

Mr. Shyam Sunder Dawra is a Non-Executive Independent Director of the Company since June 2006.

He is a retired Indian Administrative Service officer and has served the Government of India and the Government of Punjab in various capacities. He has also served as the Secretary (Department of Personnel and Training), Government of India. Shyam Sunder Dawra has a Masters Degree in English from the Punjab University and a Masters Degree in Business Administration from the University of Leeds, England. He has been on the Board of the Company since June 2006.

Mr. Shyam Sunder Dawra retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Shyam Sunder Dawra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Shyam Sunder Dawra as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Shyam Sunder Dawra fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Shyam Sunder Dawra as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Shyam Sunder Dawra as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of section 197(5) and profit related commission as may be approved by the Members. Accordingly, approval of the Members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. Shyam Sunder Dawra, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO. 6

Mr. Lalit Mohan Mehta is a Non-Executive Independent Director of the Company since June 2006.

He is a retired Indian Administrative Service officer. In the past, he has served the Government of India and state governments in various capacities in matters concerning urban affairs, planning,

fiscal matters and public and personnel relations. He has served as the Secretary to the Government of India in the Ministry of Urban Development and Poverty Alleviation. He is an arts graduate from Punjab University and has a Masters Degree in Development Studies including a course comprising aspects of economics, political science and sociology, from University of Bath in the United Kingdom. He has been on the Board of the Company since 2006.

Mr. Lalit Mohan Mehta is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Lalit Mohan Mehta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Lalit Mohan Mehta as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Lalit Mohan Mehta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Lalit Mohan Mehta as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Lalit Mohan Mehta as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of section 197(5) and profit related commission as may be approved by the Members. Accordingly, approval of the Members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. Lalit Mohan Mehta, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO. 7

Mr. Raj Kumar Aggarwal is a Non-Executive Independent Director of the Company since May 2008.

He is also a member of the Audit Committee of the Company and has provided financial inputs and recommendations in respect of financial analysis to the members of the Audit Committee. He has a Bachelor Degree in Commerce and has been a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India and has been practicing as chartered accountant since 1980. He is presently on the Board of Bank of Baroda Capital Market Limited, a subsidiary of Bank of Baroda and is also the member of the Audit Committee of the Board. He is also a

trustee with Canara Robeco Mutual Fund, a joint venture of Robeco Groep N.V. Netherland and Canara Bank a leading nationalised bank in India. He is also the Chairman of Audit Committee of the trust of Canara Robeco Mutual Fund. Raj Kumar Aggarwal has been the President of the C.A. Welfare Association and also been the director of SBI Gilts Limited up to March 31, 2004, a subsidiary of State Bank of India. He has been on the Board of the Company since 2008.

Mr. Raj Kumar Aggarwal is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Raj Kumar Aggarwal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Raj Kumar Aggarwal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Raj Kumar Aggarwal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Raj Kumar Aggarwal as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Raj Kumar Aggarwal as an Independent Director, for the approval by the shareholders of the Company.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of section 197(5) and profit related commission as may be approved by the Members. Accordingly, approval of the Members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. Raj Kumar Aggarwal, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO. 8

In order to bring the remuneration of Non-Executive Directors ("NEDs") commensurate with the time and effort put in by them, the Board of Directors of the Company ("the Board") at its meeting held on May 23, 2014, subject to approval of Members of Company and other applicable statutory approval(s), approved payment of commission aggregating ₹ 2,00,00,000/- (Rupees Two Crores only) annually in such proportion as may be decided by the Board to NEDs

for a period of 3 (three) years from the financial year ended March 31, 2015, provided total commission payable to such Directors shall not exceed 1% of the net profits of the Company as computed in the manner referred to under Section 197 of the Companies Act, 2013. Payment of such commission will be in addition to the sitting fees for attending meetings of the Board/Committees.

The NEDs of the Company may be deemed to be interested or concerned in passing of the Special Resolution to the extent of the commission that may be received by them.

Except Mr. Waryam Singh, Mr. Ashok Kumar Gupta, Mr. Shyam Sunder Dawra, Mr. Lalit Mohan Mehta and Mr. Raj Kumar Aggarwal being Non Executive Directors of the Company, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 8.

ITEM NO. 9

The Members may please note that the Ministry of Corporate Affairs (MCA) vide its notifications dated September 12, 2013 and 26th March, 2014 has notified many substantive provisions of the Companies Act, 2013 ("the Act"), which governs general working of companies. However, provisions relating to National Company Law Tribunal, compromise, arrangement and amalgamations, winding-up and some other provisions have yet to be notified by the MCA. With the notifications of various Sections of the Act, existing Articles of Association of the Company require alterations and empowerment to the Company to carry out certain transactions in accordance with the provisions of the Act.

It is proposed to amend the existing article by including an article No. 2A to authorise and empower the Company to carry out certain transactions, as permitted under the Act without there being any separate/specific article in existing Articles of Association.

A copy of the Articles of Association of the Company together with proposed alteration would be available for inspection free of cost by the members at the Registered Office of the Company.

None of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item no. 9 of the Notice.

The Board commends the Special Resolution set out at Item no. 9 of the Notice for approval by the shareholder.

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

Darshan D. Majmudar
Chief Financial Officer &
Company Secretary

Date: August 25, 2014
Place: Mumbai

DETAILS OF DIRECTORS SEEKING Re-APPOINTMENT AT THE ANNUAL GENERAL MEETING
 (In pursuance of Clause 49 of the Listing Agreement)

Name of Directors	Mr. Waryam Singh	Mr. Ashok Kumar Gupta	Mr. Shyam Sunder Dawra	Mr. Lalit Mohan Mehta	Mr. Raj Kumar Aggarwal
Date of Birth	15/12/1951	20/05/1950	11/10/1943	20/01/1944	10/11/1956
Age	62	64	70	70	57
Date of Appointment	27/04/2006	27/04/2006	14/06/2006	14/06/2006	21/05/2008
Qualification(s)	A Commerce graduate from Mumbai University	Chartered Accountant and also holds L.L.B Degree from Mumbai University	Master's Degree in English from the Punjab University and a Master's Degree in Business Administration from the University of Leeds, England	An art graduate from Punjab University and has a Master's Degree in Development Studies including a course comprising aspects of economics, political science and sociology, from University of Bath in the United Kingdom	He is Fellow Chartered Accountant and Company Secretary
Number of Shares Held	79,97,400	5,800	NIL	NIL	NIL
Expertise in specific functional area	Banking, Finance, Civil Construction and Land Development	Investment Schemes, Restructuring, other Corporate Law matters and Accountancy	Finance and Administration	Banking, Finance and planning	Investment Schemes, Restructuring, other Corporate Law matters and Accountancy
Other Directorship(s) as on date of the Notice	Broadcast Initiatives Limited Mi Marathi Media Limited Privilege Hi-Tech Infrastructure Limited	The Annexe Mall Company Limited	Steel Strip Infrastructure Limited SAB Industries Limited Saraswat Co-operative Bank Limited	NIL	BOB Capital Markets Limited
Committee Positions in other Public Companies	Investor Grievance and Share Transfer Committee- Chairman Housing Development and Infrastructure Limited	Audit Committee- Member Housing Development and Infrastructure Limited Remuneration Committee- Member Housing Development and Infrastructure Limited	Audit Committee-Chairman Housing Development and Infrastructure Limited Steel Strip Infrastructure Limited Audit Committee-Member SAB Industries Limited Saraswat Co-operative Bank Limited	Audit Committee-Member – Housing Development and Infrastructure Limited Investor Grievance and Share Transfer Committee- Member Housing Development and Infrastructure Limited	Audit Committee-Member – Housing Development and Infrastructure Limited Audit Committee-Chairman BOB Capital Market Limited Remuneration Committee- Member Housing Development and Infrastructure Limited
Relationships between Directors inter-se	NIL	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Eighteenth Annual Report of your Company together with the "Management Discussion and Analysis Report", "Corporate Governance Report", and "Audited Financial Statements" for the Financial Year ended March 31, 2014.

1. FINANCIAL PERFORMANCE

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Gross sales and other receipts	94,044.27	1,15,361.33	95,364.41	1,06,522.67
Profit before finance cost, depreciation, amortisation exceptional items and taxation	77,297.12	1,18,268.31	97,493.09	1,31,290.98
Finance Cost	50,964.06	56,777.06	70,729.30	69,230.33
Depreciation and Amortisation	780.06	781.98	7,857.47	8,453.97
Operational profit before exceptional items and tax	25,553.00	60,709.27	18,906.32	53,606.68
Less: Exceptional items	-	44,198.45	-	44,198.45
Less: Provision for Tax	1,068.06	1,972.83	1,137.40	2,051.70
Less: Minority Interest	-	--	12.41	(4.67)
Add: Share of profit/(loss) of Associates	-	--	-	(28.99)
Profit for the year	24,484.94	14,537.99	17,756.51	7,332.21
Balance brought forward	3,846.94	3,804.35	(27,562.36)	(20,404.56)
Add: Other adjustments	(140.11)	(22.50)	(123.23)	(17.11)
Profit available for appropriation	28,191.77	18,319.84	(9,929.08)	(13,089.46)
Less: Transferred to General Reserve	-	-	-	-
Less: Transferred to Debentures Redemption Reserve	24,400.00	14,472.90	24,400.00	14,472.90
Closing Balance	3,791.77	3,846.94	(34,329.08)	(27,562.36)
Net Worth	10,42,521.02	10,18,176.19	10,55,905.12	10,38,271.84

2. PERFORMANCE REVIEW

The Turnover of the Company decreased by 18.48% and stood at ₹ 94,044.27 lacs as against ₹ 1,15,361.33 lacs in the previous year. The Company's Profit from Operations for the year ended March 31, 2014 decreased by 57.91% to ₹ 25,553.00 lacs as against ₹ 60,709.27 lacs in the previous year. However, the Net Profit for the year has increased by 68.42% to ₹ 24,484.94 lacs as against ₹ 14,537.99 lacs in previous year.

3. DIVIDEND

The results and financial position of the Company are set out in the Financial Statements. With a view to reduce the cost base of the Company and conserve the resources so as to meet the fund requirements for Company's on-going projects and also its growth plans, your Directors have not recommended any payment of Dividend for the Financial Year ended March 31, 2014.

4. MANAGEMENT'S DISCUSSION AND ANALYSIS

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

5. SUBSIDIARY COMPANIES

As at March 31, 2014, 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	HDIL Entertainment Private Limited
6	HC Infracity Private Limited
7	Lashkaria Construction Private Limited
8	Mazda Estates Private Limited
9	Privilege Power and Infrastructure Private Limited
10	Ravijyot Finance and Leasing Private Limited

The Ministry of Corporate Affairs (MCA) vide its General Circular No. 3/2011 dated February 21, 2011 read together with General circular No.2/2011 dated February 8, 2011 issued modifying their circular No. 5/12/2007-CL-III has granted general exemption under Section 212(8) of the Companies Act, 1956 to Companies from attaching

the accounts of their subsidiaries in their annual reports subject to fulfillment of certain conditions prescribed. The Board of Directors of the Company at its Meeting held on May 23, 2014 in line with the circular of MCA have passed the resolution granting the requisite approvals for not attaching the Balance Sheet, statement of Profit & Loss, report of the Board of Directors and Auditor's report of each of the Subsidiary Companies to the accounts of the Company for the year ended March 31, 2014. The Company will make available these documents/details upon request by any Member of the Company at its Registered Office. As required by Accounting Standard-21 (AS-21) prescribed by the Companies (Accounting standards) Rules, 2006, the Company's consolidated financial statements included in this Annual Report incorporate the accounts of its subsidiaries. A summary of key financials of the subsidiaries of your Company is included and shown separately in this Annual Report.

6. DEBENTURES

During the year under review, Company has not issued any Non Convertible Debentures. However, out of the total Non-convertible debentures issued in the earlier years by the Company, there has been redemption of Non Convertible Debentures aggregating to ₹ 56,797.78 lacs.

7. SHARE CAPITAL

During the year under review, there has been 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 ("BSE") and National Stock Exchange of India Limited ("NSE").

8. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mr. Waryam Singh, Mr. Ashok Kumar Gupta and Mr. Shyam Sunder Dawra are liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and offer themselves for re-appointment.

The above re-appointments form part of the Notice of the forthcoming Eighteenth Annual General Meeting and the respective resolutions are recommended for your approval.

Profile of the Directors retiring by rotation and proposed to be re-appointed as required under Clause 49 of the Listing Agreement,

is part of the explanatory statement to the Notice of the Eighteenth Annual General Meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under, which came into effect from April 1, 2014, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Mr. Sunil Behari Mathur, Mr. Lalit Mohan Mehta, Mr. Shyam Sunder Dawra and Mr. Raj Kumar Aggarwal as Independent Directors of the Company who are not liable to retire by rotation, for a period of five years.

9. RESERVES

As per requirement of the provisions of Section 117(c) of the Companies Act, 2013, your Company has transferred ₹ 24,400.00 lacs to Debenture Redemption Reserve.

10. FIXED DEPOSITS

The Company has not accepted any deposits during the year under review from the public within the meaning of Section 72 of the Companies Act, 2013.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

- That in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed and no material departures have been made from the same.
- That 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 at the end of the financial year and of the profit of the Company for the year.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the annual accounts for the year ended March 31, 2014, on a going concern basis.

12. CORPORATE GOVERNANCE

Corporate governance is a key to improving efficiency, transparency, accountability and growth as well as enhancing investor's confidence. Your Company has adopted the Corporate Governance practices in all its activities so as to conduct its affairs to ensure fairness to all stakeholders. It is also a process of building positive relationship and making a wider impact with greater commitment and trust, on all with whom the Company has relationship.

A report on Corporate Governance together with a certificate received from M/s. Thar & Co. Statutory Auditors of the Company confirming the compliance with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is given separately which forms part of this Report.

13. LISTING FEES

The equity shares of the Company are listed at the BSE and the NSE. The Company has paid the applicable listing fees to the above stock exchanges up to date. The Company's shares are also traded in the dematerialised segment for all investors compulsorily and the Company had entered into agreements with the Central Depository Services (India) Limited ("CDSL") and National Securities Depository Limited ("NSDL") for custodial services.

14. STATUTORY AUDITORS

M/s. Thar & Co., Chartered Accountants, the Statutory Auditors of

the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Company has received necessary certificate from Statutory Auditors to this effect and that their reappointment, if made, will be in accordance with the provisions of the Section 139, 141 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 thereon.

As per the recommendation of the Audit Committee, the Board of Directors proposes the reappointment of M/s. Thar & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of two financial years up to March 31, 2016, from the conclusion of the ensuing AGM until conclusion of the twentieth AGM of the Company

15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposal and commercial transactions are authorised, 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 directly reports to the Board/ Audit Committee. The statutory audit of the Company is conducted by M/s. Thar & Co. Chartered Accountants who submit their reports to Board/ Audit Committee. The performance of the Company is regularly reviewed by the Audit Committee and/or the Board of Directors to ensure that it is in consonance with the overall corporate policy and in line with pre-set objectives.

To facilitate improved efficiency in Business Operations, SAP Business ERP system is being used for integrating all Business Functions of the Company from Planning, Execution, Monitoring and Control of the Projects including MIS of the Business Operations thereby enhancing the efficiency of the Business Operations.

16. COST AUDITORS

In pursuance of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 thereon, your Directors have appointed M/s. Ketki D. Visariya & Co., Cost Accountants, as the Cost Auditors to conduct the Cost Audit for the financial year ending March 31, 2014.

17. INVESTORS' RELATIONS AND GRIEVANCES

Investors' relations have been cordial during the year. As a part of compliance, the Company has formed Stakeholders Relationship Committee to deal with the issues relating to investors. There were no investors' grievances pending as on March 31, 2014. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent. The Company has separate Investor Relations department headed by Mr. Hari Prakash Pandey designated as Vice President Finance and Investor Relations.

18. 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 are requested to join the said program by sending their preferred email addresses to the Registrar and Share Transfer Agent.

19. CORPORATE SOCIAL RESPONSIBILITY

Your Company acknowledges and offers full support to Governments' schemes for economically weaker sections. It endeavors to make a constructive contribution to the underprivileged communities by supporting socio-economic initiatives. It is the strong conviction that benefit comes as much from its strong organizational pledge to Corporate Governance, as from its pursuit and fulfillment of Corporate Social Responsibility ("CSR"). The details of the CSR activities undertaken by the Company forms part of the Corporate

Governance Report. To this end, the Company has formed a Trust in the name of HDIL Foundation.

20. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 for the year ended March 31, 2014.

1. CONSERVATION OF ENERGY

Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. We emphasize towards a safe and clean environment and continue to adhere to all regulatory requirements and guidelines. The construction team under the able 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, use of single glazing/double glazing, use of UPVC doors/windows, using BMS systems etc.

2. 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, your Company is actively involved in R&D activities. Some of them are:

DOKA formwork

- Installation time is minimal as whole set (for each floor) can be lifted using hydraulic equipments as a single unit.

ULMA formwork

- Comprises of aluminum components suitable for large areas and fast erection.
- Very versatile, due to the possibility of changing beams direction (in case design is not finalized).
- Excellent concrete finish.

MIVAN formwork

- Most suitable for Indian conditions as a tailor-made aluminum formwork for cast-in-situ fully concrete structure.
- Fast, easy erection, thus reducing requirement of highly skilled labor.

All of the above can be repeated for several slab cycles unlike conventional plywood shuttering and have longer shelf life.

Installation of safety apparatus for emergency evacuation purpose in an unlikely event of hazard.

Ingstrom Fire Escape Chutes

- Quick and easy to deploy, always ready to use.
- Users have the ability to control the speed of one's own descent.
- Allows external means to control the speed of one's descent to ground level.
- Suitable for all ages and physical conditions of evacuees, including physically impaired and unconscious people.

- Use of energy efficient CFL bulbs for internal and external lighting purpose
- In comparison to incandescent lamps they save almost 50% energy.
- Glass coating process enables excellent lumen maintenance all throughout its life span.
- RoHS (Restriction of Hazardous Substances Directive) compliant unit design.
- 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.
- 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.

3. 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.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

Year	2013-14	2012-13
Foreign exchange earnings	-	-
Foreign exchange outgo	18.00	29.63

21. 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.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to all the Members of the Company, excluding the Statement of Particulars of Employees. Any member interested in obtaining a copy of the said statement may write to the Company Secretary of the Company.

22. ACKNOWLEDGEMENT

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by the employees of the Company and its group Companies at all levels and wish to convey their appreciation to the Banks, Financial Institutions, Government Authorities, customers and other business associates 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.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 23, 2014

Rakesh Kumar Wadhawan
Executive Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

OVERVIEW – INDUSTRY STRUCTURE AND DEVELOPMENT

As new Government taking stock at the Centre, the real estate sector moves towards greater transparency and long-term opportunities to sustain revival in demand which leads to accessibility to emerging funding sources. The Indian real estate sector has come a long way and today it is one of the fastest growing market in the world. Real estate in India is being recognized as urban infrastructure service that is driving the economic growth engine of the country.

The Indian real estate sector continues to be a favoured destination for global investors. Several large global investors, including a number of sovereign funds, have taken the first move by partnering with successful local investors and developers for investing in the Indian real estate market. This is expected to result in high transaction activity; especially in income yielding commercial office assets during 2014. Seeking to attract investor into Real Estate market Securities Exchange Board of India ("SEBI") has revived its proposal of listing and trading Real Estate Investment Trust ("REIT"). REIT is an investment vehicle which can be listed and traded on Stock Exchanges. REIT helps developers with added income and Capital Appreciation on their rent generating assets.

However, the real estate sector is burdened with high costs. Construction cost has increased in past two years, while Government taxes and premiums have also gone up substantially. Banks' reluctance to lend to real estate companies has led to increased cost of borrowing, adding to the overall cost.

The urban population will surge in the coming years, which coupled with growth in employment, education and health care, will push the demand for residential and commercial space. Urbanization has been rapid in the past few years, with 'upwardly-mobile' buyers keen to invest and reap dividends from the real estate market growth. Increasing migration to the cities will drive this demand. The demand for space from sectors such as education and healthcare has opened up ample opportunities in this sector.

BUSINESS OVERVIEW

Despite challenging environment the Management of your Company is satisfied with the performance for Financial Year ("F.Y.") 2013-14 and the financial results were way above the market expectation. We look into the intricacies of designing, developing and construction of each project with an eye to perfection. Our expert team of Engineers, Architects, Designers, Structural Consultants & Human Resource Personnel have contributed to the development across each project.

Housing Development and Infrastructure Limited ("HDIL" or "the Company") is one of the premier real estate development company in India and is actively pursuing on the development of real estate and slum rehabilitation projects in Mumbai Metropolitan Region.

F.Y. 2013-14, showed terrific potential of your Company. HDIL gave possession of more than 1,000 flats in Harmony, Premier Residency Phase I, Residency Park Phase I and Galaxy project. Your Company concluded FSI sales of ₹ 200 crores which will be recognized in the next financial year. Your company reduced its Consolidated Debt from ₹ 4,018 crores to ₹ 3,511 crores.

Vision of development has always been inclusive and broad-based. So while we've developed premium residential complexes, we have also pioneered quality affordable homes for the economically disadvantaged. HDIL's affordable housing projects incorporate every amenity and convenience of a modern lifestyle, from good location and quality construction, to landscaping and leisure facilities. Offering families a superior home at a price much below prevailing rates and helping them achieve their dream.

Sr. No	Project	Type	Saleable Area (sq. ft.)
1	Planet HDIL Phase I&II	Residential	158,82,810
2	Palghar Township Phase I & II	Residential	50,00,000
3	Ekta Nagar	Residential	15,00,000
4	Whispering Tower Phase I & II	Residential	20,00,000
5	Majestic Nahur	Residential	13,00,000
6	Berkeley Square Pant Nagar	Residential	9,00,000
7	Residency Park Phase II, Virar	Residential	6,00,000
8	Residency Park Phase I, Virar	Residential	3,00,000
9	Premier Kurla	Commercial	20,00,000
10	Meadows (Phase I and II), Goregaon	SRA	18,00,000
11	Daulat Nagar, Santacruz	SRA	5,00,000
12	Kannamwar Nagar Project	SRA	4,50,000

During the year 2013-2014 under review, your Company has planned to launch 3 projects which intent to change the real estate scenario of Mumbai Metropolitan Region ("MMR"). **Planet HDIL** is an integrated township with Residential, Commercial and retail space spanning across 550 Acre area with a dedicated Planned Railway Station. **HDIL Golf City** is going to be one stop holiday destination within the city limits. First Phase will consist of Golf Villas, Water sports, Malls, Marina, Resorts and Second Phase will again consist of Integrated Township. **Berkeley Square** will consist of more than 300 Luxurious flats in rapidly growing Ghatkopar area.

ENTERTAINMENT

Our multiplex business is operated under the brand name "**Kulraj Broadway**". Presently there are **five** multiplexes operational -

- A three screen multiplex at Vasai having seating capacity of 1,001 persons;
- A four screen multiplex at Kandivali having seating capacity of 636 persons;
- A six screen multiplex at Bhandup having seating capacity of 1,334 persons;
- A four screen multiplex at Kolkata having seating capacity of 799 persons and
- A four screen multiplex at Indore having seating capacity of 1,037 persons.

The Company has already tied up facilities to start multiplexes at New Delhi, Asansol and Durgapur.

OPPORTUNITIES, THREATS AND RISK PERCEPTIONS

Opportunities:

The New Government taking the seat at centre with agenda of urban development and key changes in policies and regulation favourable for development and the developers. The recent development could turnaround the real estate market. Expecting a tremendous growth, there is chance of increase in residential, retail, commercial and FSI sales.

HDIL is major player in Mumbai Real estate market with a land reserve of approx 245.5 million sq. ft. as on March 31, 2014 with 90% of its land Reserves in the MMR has established itself as one of India's premier real estate development company, HDIL has about three decades of experience in the real estate and infrastructure domain having developed over 100 million sq. ft. area of commercial, residential and retail space. The Company is market leader in Residential, Affordable Housing

and SRA projects. New policies and reforms of the Government will boost the development of SRA. Also the rising demand in affordable housing and FSI will boost the market for HDIL.

● **Threats and Risks Perception:**

The real estate sector is poised to turn around significantly in due course but factors like inflation and high interest rate is undermining the turn around. High interest rates are not just holding back investor to invest in properties but also in funding all development activities.

The performance of your Company may be affected by the sales and rental prices of the projects. The prices are driven by prevailing market conditions, the nature and location of the project and other factors such as brand and reputation and the design of the projects.

The newly elected Government got a clear mandate for their agenda of making all the policies more clear and liberal. Currently real estate sector in India is heavily regulated by the Central, State and Local Governments. Real estate developers are required to comply with a number of Indian laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer of property, registration and use of land. The time frame of implementation of the new liberal policies is not clear. HDIL meticulously prepares all documentation required for statutory approvals to mitigate any risk arising out of regulatory approval policies.

The Company operates in a highly fragmented and competitive Industry. The competition varies depending upon the size, nature and complexity of the project to be executed. Fluctuations in operating costs can often lead to spiralling costs and overshooting budgets. This can lead to delays in the completion of projects.

Your Company has put a risk management framework in place post a comprehensive review of its risk management process. The review involved understanding the existing risk management initiatives businesses as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organisation.

STRATEGY FOR THE YEAR AHEAD

The key components of our strategy will be focused around:

- Enhance and leverage HDIL Brand
- Focus on residential, commercial and industrial projects
- Execution of the Projects
- Financial Strength and Liquidity

One of our key strengths is our relationship with the HDIL Group and the strong brand equity generated from the HDIL brand name. Customer focus will be at the core of our strategy to remain a strong brand in the Mumbai real estate market. We believe that our customers, vendors and members of the financial community perceive the HDIL brand to be a trusted provider of quality products and services. We will keep exploring how to improve our sales efficiency through innovative pricing strategy, customised sales agreements and higher project visibility.

We continue to focus on residential, commercial and industrial projects and scale up our operations and project management capabilities as we fully recognize the importance of delivering quality projects on a timely basis. Ramping up of our execution capabilities will remain a part of our continuous improvement measures. This will help bring greater visibility to our projects, which in turn will speed up our sales.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Manpower is biggest strength in Real Estate Sector. Your Company maintains its focus on its human resources as it believes that a motivated and empowered workforce is the key to sustained competitive advantage and people's contribution is the main engine for growth. All employees are working in harmonious and teamwork is at all-time high. Your Company believes that the skills and diversity of the employees would give us the flexibility to adapt to the future needs of our business.

Board of Directors of your Company considers human resources as the most valuable asset in our organization and endeavour to retain and develop its human resources and making a better place to work by providing an atmosphere of trust, competition and challenge, thereby providing opportunities for personal and professional growth, through training and ample career enhancement opportunities.

Human Resource Relations in HDIL continues to be core strength and always endeavours to work towards having sound, proactive and progressive HR strategies and practices in place so as to align Company's objectives and employee aspirations. The function continues to strive towards ensuring that the HR philosophy is translated into action.

HDIL group now has a highly competitive, experienced, multifunctional team across various Group Companies.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has always believed in being a knowledge based organization and has continued to keep focus on processes and controls. Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorized, 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 directly submits his reports to the Board/Audit Committee. The statutory audit of the Company is conducted by M/s. Thar & Co., Chartered Accountants who submit their reports to Board/Audit Committee. The performance of the Company is regularly reviewed by the Audit Committee and/or the Board of Directors to ensure that it is in consonance with the overall corporate policy and in line with pre-set objectives.

INFORMATION TECHNOLOGY AND SECURITY

In today's era of modern technology, Information Technology ("IT") plays a very vital and significant role in any organization's growth. Company's IT function takes care of all the IT-related aspects across the group (including all Business Units), from infrastructure management to procurement of Industry specific standard software and their implementation, implementation of advanced technological products that are reviewed from time-to-time.

Your Company accords great importance to the security of its information assets and has the requisite security controls and checks. Adequate storage and backup system is in place to ensure security and availability of data at all times.

CAUTIONARY STATEMENT

This report contains forward looking statements containing words such as, 'expects', 'anticipates', 'estimates' 'believes' 'plans' 'intends' 'will' 'projects' 'seen to be' and so on. All statements are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate and will materialise in the said order or manner or realized. The Company's performance and results or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend modify or revise such statements based on subsequent events or developments.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance is the acceptance by Management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. Corporate Governance envisages attainment of the highest levels of transparency and accountability in the functioning of Company and 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.

We believe in commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a Company.

In India, Corporate Governance Standards for listed companies are regulated by the Securities and Exchange Board of India ("SEBI") through Clause 49 of the Listing Agreement executed with the Stock Exchanges. Corporate Governance is the key factor in attaining fairness for all stakeholders and achieving organizational efficiency.

The detailed report on compliance by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with Stock Exchange is set out below:

I. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the Management of the Company in the efficient conduct of its business and helps in achieving transparency and professionalism in all its decisions and affairs of the Company.

The Corporate Governance principles of the Company have been formulated to ensure that the Board remains informed, independent and participates actively in the affairs of the Company. The Company also strives to mitigate "non business" risks and enhance stakeholders' value by taking measures to continuously improve Corporate Governance standards.

The Company firmly believes in good Corporate Governance and endeavours to implement the Code of Corporate Governance in its true spirit. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising in any way on compliance with the laws and regulations. The Company believes that good governance brings about sustained corporate growth and long-term benefits for stakeholders.

The Company has taken various steps for implementation of the requirements placed under the Clause 49 of the Listing Agreement. Company reviews its policies and practices of Corporate Governance with a clear goal of a transparent system of operation and it implements the Corporate Governance practices with letter and spirit.

The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. The Company is committed in meeting the aspirations of all its stakeholders.

II. BOARD OF DIRECTORS:

(a) Composition of Board

The Company's Board of Directors ("the Board") is the guardian of fairness, transparency and accountability and provides appropriate directions with regard to leadership, vision, strategy, policies, supervision, accountability to shareholders and to achieve greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance. The Board also provides directions and exercises appropriate control to ensure that the Company fulfils stakeholders' aspirations and societal expectations.

The Board emphasizes on maximization of shareholder's returns, effective execution of Company's plans and efficient performance by the Management. It has the responsibility to participate directly or through its committees, in developing and approving the mission of the Company's business, its objectives and goals, and the strategy for their achievement. It is entrusted with the supervision of the Management of the business and affairs of the Company.

The Board along with its Committees provide leadership and guidance to the Company's Management as also direct, supervise and control the performance of the Company. The Board currently comprises of eight Directors out of which six Directors (75%) are Non-Executive Directors and four Directors (50%) of the Board comprises of Independent Directors.

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under the existing Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013 ("the Act")

The Composition of the Board, category of Directors and Directorship/Committee positions in other Companies as on March 31, 2014 is as under:

Sr. No.	Name of the Director	Director Identification Number	Category	Other Directorships		Committee positions		Share-holding
				Chairman	Member	Chairman	Member	
1.	Mr. Rakesh Kumar Wadhawan	00028573	Executive Chairman	-	7	-	-	7,60,47,661
2.	Mr. Sarang Wadhawan	00028608	Vice Chairman and Managing Director	-	6	-	-	41,59,115
3.	Mr. Waryam Singh	00230462	Non-Executive Director	-	4	-	-	79,97,400
4.	Mr. Ashok Kumar Gupta	00145816	Non-Executive Director	-	1	-	-	5,800
5.	*Mr. Satya Pal Talwar	00059681	Non-Executive and Independent Director	-	10	2	5	Nil
6.	Mr. Lalit Mohan Mehta	00458975	Non-Executive and Independent Director	-	-	-	-	Nil
7.	Mr. Shayam Sunder Dawra	00310987	Non-Executive and Independent Director	-	3	1	2	Nil
8.	Mr. Sunil Behari Mathur	00013239	Non-Executive and Independent Director	2	11	4	7	Nil
9.	**Mr. Ramesh Chander Kapoor	00312302	Non-Executive and Independent Director	-	-	-	-	Nil
10.	Mr. Raj Kumar Aggarwal	02034914	Non-Executive and Independent Director	-	1	1	-	Nil

Note:

- The Directorship, held by Directors as held above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of Companies Act, 1956 and private limited companies.
- In accordance with Clause 49 of Listing Agreement, Membership/Chairmanships of only Audit Committees and Shareholders/ Investors Grievance Committees in all Public Limited Companies (Excluding Housing Development and Infrastructure Limited) have been considered.
- *Mr. Satya Pal Talwar ceased to be Director w.e.f. August 09, 2013.
- **Mr. Ramesh Chander Kapoor ceased to be Director w.e.f. August 07, 2013.

(b) Board Meetings:

Attendance in last Annual General Meeting 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		Attended last AGM
			Held	Attended	
1	Mr. Rakesh Kumar Wadhawan	Executive Chairman	4	4	Yes
2	Mr. Sarang Wadhawan	Vice Chairman & Managing Director	4	4	Yes
3	Mr. Waryam Singh	Non-Executive Director	4	4	Yes
4	Mr. Ashok Kumar Gupta	Non-Executive Director	4	4	Yes
5	*Mr. Satya Pal Talwar	Independent Non-Executive Director	4	*0	No
6	Mr. Lalit Mohan Mehta	Independent Non-Executive Director	4	4	Yes
7	Mr. Shyam Sunder Dawra	Independent Non-Executive Director	4	3	Yes
8	Mr. Sunil Behari Mathur	Independent Non-Executive Director	4	2	No
9	**Mr. Ramesh Chander Kapoor	Independent Non-Executive Director	4	**1	No
10	Mr. Raj Kumar Aggarwal	Independent Non-Executive Director	4	4	Yes

- *Mr. Satya Pal Talwar ceased to be Director w.e.f. August 09, 2013.
- **Mr. Ramesh Chander Kapoor ceased to be Director w.e.f. August 07, 2013.

During the Financial Year 2013-14, 4 (Four) meetings were held on May 29, 2013, August 14, 2013; November 14, 2013 and February 14, 2014. The gap between any two Meetings did not exceed four months.

c) Board Procedures:

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in compliance with the requirements of the Companies Act, 1956, the Companies Act, 2013, the Secretarial Standards (SS-1) prescribed for Board Meetings by the Institute of Company Secretaries of India, Listing agreement with the stock exchange(s) and other applicable laws and regulations.

The Board meets at least once a quarter to review quarterly performance and financial results. Notices of Board Meeting 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 is also free to recommend inclusion of any matter for discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman.

III COMMITTEES OF DIRECTORS

In compliance with the Listing Agreement (both mandatory and non mandatory) and SEBI Regulations and the Companies Act, 2013, as on March 31, 2014 the Board has four committees viz. Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee and Finance Committee.

The Committees have optimum combination of Executive, Non-Executive and /or Independent Directors. The Committees are constituted with specific terms of reference and scope to deal with specific matters expediently. The details of the committees

constituted by the Board are given below:

A. MANDATORY COMMITTEES

i. Audit Committee:

(a) Composition and Attendance

The Audit Committee comprises of experts specializing in accounting and financial management. The Chairman of the Audit Committee is a Non-Executive and Independent Director. The present composition of the Audit Committee is as under:

Sr. No.	Name of the Director	Category	Designation	Number of Board Meetings	
				Held	Attended
1.	Mr. Shyam Sunder Dawra	Independent Non-Executive Director	Chairman	4	3
2.	Mr. Ashok Kumar Gupta	Non-Executive Director	Member	4	4
3.	Mr. Satya Pal Talwar*	Independent Non-Executive Director	Member	4	0
4.	Mr. Lalit Mohan Mehta**	Independent Non-Executive Director	Member	4	2
5.	Mr. Ramesh Chander Kapoor***	Independent Non-Executive Director	Member	4	1
6.	Mr. Raj Kumar Aggarwal	Independent Non-Executive Director	Member	4	4

During the Financial Year 2013-14 the Audit Committee was reconstituted as under:

*Mr. Satya Pal Talwar ceased to be a Member of the Audit Committee w.e.f. August 09, 2013.

**Mr. Lalit Mohan Mehta was appointed as a Member of the Audit Committee w.e.f. August 14, 2013.

*** Mr. Ramesh Chander Kapoor ceased to be a Member of the Audit Committee w.e.f. August 07, 2013.

During the Financial Year 2013-14, 4 (four) Audit Committee Meetings were held on May 29, 2013 August 14, 2013, November 14, 2013 and February 14, 2014.

The Group Chief Financial Officer, Chief Financial Officer, Internal Auditor, Company Secretary and the Statutory Auditors are permanent invitees to the Audit Committee Meetings.

(b) Terms of reference

The powers and terms of reference of the Audit Committee are as mentioned in the Clause 49 II (C), (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956.

The terms of reference are briefly described below:

1. Overview of the Company's financial reporting process and the disclosure of its financial information.
2. Recommend the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors and fixation of audit fees and approving payments for any other services.
3. Review with Management, the annual and quarterly financial statements before submission to the Board.
4. Review with Management, performance of statutory and internal auditors and adequacy of the internal control systems.
5. Review the adequacy of the internal audit function.
6. Discussions with the internal auditor of any significant findings and follow-ups thereon.
7. Reviewing the findings of any internal investigations by the internal auditor.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
9. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
10. Review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;

- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and remuneration of the Chief Internal Auditor; and
- The financial statements, in particular, the investments made by unlisted subsidiary Companies.

In addition to the above, the following disclosures are made to the Audit Committee, as and when applicable:

- Basis of related party transactions;
- Disclosure of Accounting Treatment and
- Utilisation/application of proceed from public issues, rights issues, preferential issues, etc, if any.

The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures.

In fulfilling the above role, the Audit Committee has the powers:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Chairman of the Audit Committee was present at the Seventeenth Annual General Meeting of the Company held on September 30, 2013.

ii. Investor Grievance and Share Transfer Committee:

(a) Composition

This Committee has been constituted 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 Shareholders/Investors.

Name of Member	Position	Category
Mr. Waryam Singh	Chairman	Non-Executive Director
Mr. Sarang Wadhawan	Member	Vice Chairman and Managing Director
Mr. Lalit Mohan Mehta	Member	Non-Executive and Independent Director

Mr. Waryam Singh, Non-Executive Director of the Company heads the Committee.

Mr. Darshan D. Majmudar, Chief Financial Officer and Company Secretary, is the "Compliance Officer" pursuant to the requirement of the SEBI Regulations and Listing Agreement. The Committee Meetings takes place depending on the business requirement.

Details of Compliance Officer

Name of the Compliance Officer	Mr. Darshan D. Majmudar (Chief Financial Officer and Company Secretary)
Contact details	9 th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051
E-mail Id.	darshan.majmudar@hdil.in

(b) Meetings:

During the period under review, the Committee has met once on May 29, 2013.

The terms of reference of the Investor Grievance and Share Transfer Committee are as follows:

- Investor relations and redressal of shareholders grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc.
- Review of the periodicity and effectiveness of the share transfer process, statutory certifications, and depository related issues and activities of the Registrar and Transfer Agent.
- Look into transfer, transmission and rematerialisation of shares.
- Issue split and/or duplicate Share certificates as requested by the Members and
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

This Committee is also responsible for approval of transfer of Equity shares, including power to delegate the same to Registrar and Transfer Agents.

Investors' Complaints

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

The details of complaints received, cleared / pending during the Financial Year 2013-14 is given below:

No. of complaints received	: 06
No. of complaints resolved	: 06
No. of complaints withdrawn	: Nil
No. of complaints pending	: Nil

Number of complaints received during the year as a percentage of total number of Members as on March 31, 2014, is 0 %.

B. NON-MANDATORY COMMITTEES

i. Remuneration Committee

The Remuneration committee has been constituted to determine the Company's remuneration policy, having regard to qualification, performance, standards, past experience and existing industry practice.

(a) Composition:

The composition of the remuneration committee is as follows:

Name of Member	Position	Category
Mr. Ashok Kumar Gupta	Member	Non-Executive
Mr. Raj Kumar Aggarwal	Member	Non-Executive and Independent
Mr. Satya Pal Talwar*	Member	Non-Executive and Independent Director

* Mr. Satya Pal Talwar ceased to be Director w.e.f. August 9, 2013.

The Company Secretary acts as secretary to the committee.

Meetings of the Remuneration Committee are held whenever matters pertaining to remuneration payable, including revision in remuneration to Executives are to be made.

(b) Terms of Reference

- Determining Remuneration Policy of the Company;
- Recommending remuneration including periodic revision, performance bonus, incentives, commission, stock options, other services, perquisites and benefits payable to the Managing, Whole-time and other Director(s) including their relatives;
- Framing policies and fixation of compensation including salaries, incentives, bonuses, promotions, benefits, stock options and performance targets for executives of the Company; and
- Ensuring due compliance with the provisions pertaining to the Managerial Remuneration and Remuneration to the Board of Directors, as per the compliances of the Companies Act, 1956.

(c) Remuneration Policy

1. For Whole-time Directors

The Board of Directors / the Remuneration Committee of Directors is authorised to decide the remuneration of the Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement Benefits, Performance Linked Incentive (PLI), as applicable from time to time. Annual increments are decided by the Remuneration Committee within the salary grade approved by the Members. In addition to the above remuneration, Whole time Directors are paid Special Allowance and certain other Perquisites as per the Rules of the Company. They are also entitled to the Company's Retirement Benefits as per the law/policy applicable from time to time.

2. For Non-Executive Directors

The elements of the remuneration package of the Non-Executive Directors consist of annual commission in addition to sitting fees.

(d) Sitting Fees

The Non-Executive Directors are paid sitting fees of ₹ 20,000/- each for attending Board Meeting, Audit Committee Meeting, Remuneration Committee Meeting and Investor Grievance and Share Transfer Committee Meeting.

(e) Commission

As approved by the Shareholders in the meeting held on 12th August, 2011, Commission is payable at a rate not exceeding 1% per annum of the Net Profits of the Company computed in the manner referred to in Section 309 of the Companies Act, 1956 subject to a maximum amount of Rs. 2,00,00,000/- (Rupees Two Crores Only), annually, for three financial years commencing from 2011-12 upto financial year 2013-14.

The details of remuneration paid/payable to the Whole-time and Non-Executive Directors for the Financial Year 2013-2014:

(Amount in ₹)

Directors	Relation with HDIL	Remuneration paid during 2013-14			
		Sitting fees	Salary and Perquisites	Commission*	Total
Mr. Rakesh Kumar Wadhawan	Executive Chairman	-	-	-	-
Mr. Sarang Wadhawan	Vice Chairman and Managing Director	-	-	-	-
Mr. Waryam Singh	Non-Executive Director	1,00,000	-	29,82,026	30,82,026
Mr. Ashok Kumar Gupta	Non-Executive Director	1,60,000	-	29,82,026	31,42,026
**Mr. Satya Pal Talwar	Non-Executive and Independent Director	-	-	10,62,092	10,62,092
Mr. Lalit Mohan Mehta	Non-Executive and Independent Director	1,40,000	-	29,82,026	31,22,026
Mr. Shyam Sunder Dawra	Non-Executive and Independent Director	1,20,000	-	29,82,026	31,02,026
Mr. Sunil Behari Mathur	Non-Executive and Independent Director	40,000	-	29,82,026	30,22,026
***Mr. Ramesh Chander Kapoor	Non-Executive and Independent Director	40,000	-	10,45,752	10,85,752
Mr. Raj Kumar Aggarwal	Non-Executive and Independent Director	1,60,000	-	29,82,026	31,42,026

*Subject to the approval of Annual Accounts for the Financial Year 2013-14 by the Members at the Eighteenth Annual General Meeting to be held on September 30, 2014.

None of the Non-Executive Directors has any pecuniary interest in the Company, except for Sitting Fees and Commission, if any, paid/payable to them by the Company

**Mr. Satya Pal Talwar ceased to be Director w.e.f. August 09, 2013;

***Mr. Ramesh Chander Kapoor ceased to be Director w.e.f. August 07, 2013;

ii. Finance Committee

(a) Terms of reference

The terms of reference of the Committee are as follows:

- To borrow money not exceeding more than the amount as decided by the Shareholders under Section 293(1)(d) of the Companies Act, 1956 and Section 180 (1) (c) of the Companies Act, 2013 and to modify/restructure terms of any security of existing loans, debentures or such other securities and issue guarantees/securities on behalf of the Company and to allot securities;
- To buy and sell 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, 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 appoint attorneys in any matter for and on behalf of the 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.

(b) Composition

Name	Position	Designation
Mr. Rakesh Kumar Wadhawan	Chairman	Executive Chairman
Mr. Sarang Wadhawan	Member	Vice Chairman and Managing Director
Mr. Waryam Singh	Member	Non-Executive and Non-Independent Director
*Mr. Satya Pal Talwar	Member	Non-Executive and Independent Director

* Mr. Satya Pal Talwar ceased to be a Member of the Finance Committee w.e.f. August 14, 2013.

(c) Meetings

During the Financial Year 2013-14, the Committee met 9 (Nine) times on April 22, 2013; May 21, 2013; June 04, 2013; June 28, 2013; July 17, 2013; August 31, 2013; September 27, 2013; December 31, 2013 and March 14, 2014.

IV. GENERAL BODY MEETINGS:

- a) Details of venue, day, date and time where the last three Annual General Meetings ("AGM") of the Company were held:

Financial Year	Location	Type of meeting	Day and Date	Time
2012-13	1st Floor, Boundary Hall, Mumbai Cricket Association Recreation Centre (MCA), G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	AGM	Monday September 30, 2013	11.00 A.M.
2011-12	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	AGM	Tuesday, August 14, 2012	11.30 A.M.
2010-11	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	AGM	Friday, August 12, 2011	11.00 A.M.

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

Date	Brief particulars of the Resolution
30.09.2013	Re-appointment of Mr. Rakesh Kumar Wadhawan, as Executive Chairman
14.08.2012	No Special Resolution passed
12.08.2011	1. Re-appointment of Mr. Sarang Wadhawan, as Vice Chairman and Managing Director 2. Payment of commission to Non-Executive Directors

c) **Resolutions Passed through Postal Ballot:**

During the previous financial year, no resolutions were adopted which required Postal Ballot in accordance with Section 192A of the Companies Act, 1956.

V. DISCLOSURES:

1. Statutory Compliance and Penalties:

There were no instances of non-compliance nor have any penalties been imposed by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority during the last three years on any matter related to the capital markets.

2. Materially significant related party transactions:

The Company has no material significant 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 given for information under Notes to the Financial Statement for the year ended March 31, 2014.

3. Whistle Blower Policy

The Company is in process to adopt a formal Whistle-Blower Policy. However, at present the Company encourages all employees, officers and Directors, to investigate and report any suspected violations promptly. The Company further takes cognizance of complaints made and suggestions given by the employees. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.

4. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of Listing Agreement. The Company has also adopted the non mandatory requirement of Remuneration Committee to the extent in point "IIIB" above and has not adopted other non mandatory requirements. Adoption of other non mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board.

5. Disclosure for Risk Management

As a part of the overall risk management strategy, the Company consistently insures its assets and operations against a wide range of risks. The Company continues to follow a suitable strategy to review and modify its risk profile by eliminating and significantly reducing key business risks. The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

VI. SUBSIDIARIES:

As at March 31, 2014, your Company has following subsidiaries namely:

- 1) Blue Star Realtors Private Limited;
- 2) BKC Developers Private Limited;
- 3) Excel Arcade Private Limited;
- 4) Guruashish Construction Private Limited;

- 5) HDIL Entertainment 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 and
- 10) H.C. Infracity Private Limited

The Company monitors the performance of its subsidiaries, inter alia, by the following means:

- The Financial Statements, in particular the investments made by the unlisted subsidiary companies, are reviewed by the Company's Audit Committee as well as by the Board;
- The Minutes of Board Meetings of the subsidiaries are noted at the Board Meetings of the Company;
- Details of significant transactions and arrangements entered into by the unlisted subsidiary Companies are placed before the Company's Board, as and when applicable.

VII. CSR ACTIVITIES

At HDIL, our commitment to good governance, ethical conduct and social responsibility is our way of doing business, and is strongly aligned with our drive to create and increase value for all stakeholders. We define Corporate Social Responsibility ("CSR") as conducting business in ways that provide social, environmental and economic benefits for the communities and geographies where we operate.

The HDIL Group's social responsibility initiatives are implemented through HDIL Foundation ("The trust"), the CSR arm of the HDIL Group. The Foundation is involved mainly in the areas of education, conferring benefits thereof on all persons irrespective of class, creed and community and also relief to poor by providing education, medical relief, other aid to deserving or poor needy person or persons in the shape of money, cloth articles, feed or providing them with lodging or residential quarters and organize seminars, discourses, meetings, tours and public gathering/ meditation camps for awakening of general masses. It reaches out with the objective of improving the quality of life of the economically deprived people.

VIII. CODE OF CONDUCT

The Company has laid down a Code of Conduct in consonance with the requirements of Clause 49 of the Listing Agreement for all its Board members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavour to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company www.hdil.in

The Code has been circulated to all the members of the Board and all Senior Management Personnel and the compliance of the same have been affirmed by them.

Declaration affirming compliance of Code of Conduct by Mr. Sarang Wadhawan, Vice Chairman & Managing Director is given below:

The Company has laid down a Code of Conduct for all its Board members and Senior Management Personnel for avoidance of

conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Company's Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement. The Code of Conduct is posted on the Company's website www.hdil.in. The Code has been circulated to all the members of the Board and the Senior Management and the compliance of the same have been affirmed by them. There are no commercial or material financial transactions, with the Senior Management Personnel, where there is a personal interest that may have potential conflict with the interest of the Company at large. A declaration signed by the Vice Chairman & Managing Director is given below:

"I hereby confirm that:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of Housing Development and Infrastructure Limited for the year ended March 31, 2014 and a copy of the Code of Conduct is posted on the website of the Company viz. www.hdil.in"

Sd/-

Sarang Wadhawan

Vice Chairman & Managing Director

IX. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a policy for prohibition of Insider Trading for Director and specified employees of the Company, relating to dealing in the shares of the Company. This Code is applicable to all Directors and designated employees. The Company regularly monitors the transactions, in terms of the said Code, undertaken by the designated employees of the Company. The Company also informs the stock exchange(s) periodically about the transaction(s) undertaken by the Directors and designated employees and their share holdings as per the regulations.

A declaration to this effect signed by the Vice Chairman & Managing Director is appended to this Report.

X. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required by Clause 49 V of the Listing Agreement, the CEO and CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. Sarang Wadhawan (Vice Chairman and Managing Director/CEO) and Mr. Darshan Majmudar (Chief Financial Officer & Company Secretary).

XI. MEANS OF COMMUNICATION

- The Quarterly/Annual Financial Results of the Company are published in English newspaper "Free Press Journal" and in vernacular newspaper "Nav Shakti".
- The following are also promptly displayed on the Company's website 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 the Official press releases in the 'Press' Section.
- Information about the Shareholding Pattern and other specified details are now electronically filed through the Corporate Filing and Dissemination System (CFDS) as required under the Listing Agreement. Investors can view this information by visiting the website www.corpfiling.co.in.

XII. REVIEW OF DIRECTORS' RESPONSIBILITY STATEMENT

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XIII. GENERAL SHAREHOLDERS INFORMATION:

AGM day, date, venue and time	September 30, 2014, National Stock Exchange of India Limited, Exchange Plaza, Plot No C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 At 11.30 a.m.
Financial year	April 1 to March 31
Financial Calendar (2013-14)	First Quarter Results for the Quarter Ended June 30, 2013 : August 14, 2013 Second Quarter Results for the Quarter Ended September 30, 2013 : November 14, 2013 Third Quarter Results for the Quarter Ended December 31, 2013 : February 14, 2014 Fourth Quarter Audited Results for the Quarter Ended March 31, 2014: May 23, 2014
Financial Calendar (Tentative)	June 30, 2014 – Fourth week of July 2014 September 30, 2014 – Third week of October 2014 December 31, 2014 – First week of February 2015 January 31, 2015 – Second week of May 2015 September 26, 2014 to September 30, 2014
Date of Book Closure:	
Listing on Stock Exchanges	Bombay Stock Exchange Limited National Stock Exchange of India Limited
Scrip Code at BSE	532873
Symbol Code at NSE	HDIL
ISIN of the Company	INE 191I01012
Corporate Identification Number	L70100MH1996PLC101379

(a) Fees:

- Custodial fees:** The Company has paid custodial fees for the financial year 2013-14 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of the number of beneficial accounts maintained by them as on March 31, 2014.
- Listing fees:** The Company has paid the listing fees to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2013-14 on the basis of Share listed on the Stock Exchanges as on March 31, 2014.

(b) Unclaimed Dividends

Pursuant to the provisions of the Companies Act, 1956, dividends lying unclaimed for a period of 7 years from the date of their transfer to unpaid/unclaimed dividend account have to be transferred to the Investor Education and Protection Fund ("IEPF") constituted and administered by the Central Government. No claim would lie against the IEPF or the Company after the said transfer.

By the terms of Section 205A (5) of the Companies Act, 1956, monies transferred to the unpaid dividend account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to IEPF established by the Central Government.

Year	Dividend	Date of Declaration	Last date of transfer to the Investor Education and Protection Fund	Unpaid Dividend as on March 31, 2014 (Amount in ₹)
2007-2008	Interim	July 30, 2007	September 4, 2014	2,78,390
2007-2008	Final	July 21, 2008	August 26, 2015	7,70,148

(c) Unclaimed Shares

As per the provisions of Clause 5A(a) of Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. Details of unclaimed equity shares of the Company are as follows:

Sr. No.	Particulars	Number of Shareholders	Number of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year April 1, 2013	33	2,734
2.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	0	0
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	0	0
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2014.	33	2,734

(d) Market price data:

Month	Stock Exchange					
	BSE			NSE		
	Share Price		Sensex	Share Price		Nifty
High (₹)	Low (₹)	High (₹)		Low (₹)		
April, 2013	59.5	44.55	19,504.18	59.5	44.6	5,930.2
May, 2013	63.3	41.1	19,760.3	63.3	41.1	6,187.3
June, 2013	43.3	31.75	19,395.81	43.25	31.75	5,939.3
July, 2013	43.15	31.65	19,345.7	43.15	31.7	6,077.8
August, 2013	37.25	26.1	18,619.72	37.3	26.1	5,742.3
September, 2013	46.7	32.6	19,379.77	46.65	32.5	6,115.55
October, 2013	45	36	21,164.52	44.95	36.1	6,299.15
November, 2013	51.65	41.1	20,791.93	51.65	41.15	6,317.35
December, 2013	55.95	46.1	21,170.68	55.9	46.1	6,363.9
January, 2014	56.75	40	20,513.85	56.75	40	6,345.65
February, 2014	43.7	38.7	21,120.12	43.65	38.7	6,276.95
March, 2014	58.85	40.45	22,386.27	58.75	40.45	6,704.2

(e) Registrar and Share Transfer Agent

M/s. Karvy Computershare Private Limited
 Plot No. 17 to 24, Vittalrao Nagar,
 Madhapur, Hyderabad - 500 081
 Tel: 040 - 44655000; Toll free No.: 1800-3454-001
 Fax: 040- 23420814
 E-mail: einward.ris@karvy.com

(f) Share Transfer System

Shares in physical form lodged for transfer with the Company's Registrar & Share Transfer Agent 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 Investor Grievance and Share Transfer Committee generally once in every fortnight. Investor Grievance and Share Transfer 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 Registrar & Share Transfer Agent.

The Company obtains from the Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges within stipulated time.

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

(g) Distribution of Shareholding as on March 31, 2014

Shareholding of nominal value	Share Holders		Share Amount	
	Number	% to Total	(₹ in lacs)	% to Total
Upto 5000	229,209	90.27	25,01,08,530	5.97
5001 - 10000	13,500	5.32	10,49,22,020	2.50
10001 - 20000	6,202	2.44	9,25,53,570	2.21
20001 - 30000	1,883	0.74	4,77,62,710	1.14
30001 - 40000	834	0.33	3,00,64,540	0.72
40001 - 50000	600	0.24	2,81,23,120	0.67
50001 - 100000	876	0.34	6,33,68,480	1.51
100001 and above	816	0.32	3,57,31,36,890	85.28
TOTAL	2,53,920	100.00	4,19,00,39,860	100.00

(h) Shareholding Pattern as on March 31, 2014

Sr. No.	Category of Shareholder	Number of Shares	As a percentage of (A+B)
(A)	PROMOTER'S HOLDING		
(1)	Indian Promoter	15,15,36,808	36.17
(2)	Foreign	0	0
	Total A=A(1)+A(2)	15,15,36,808	36.17
(B)	NON PROMOTER'S HOLDING		
(1)	INSTITUTIONS		
(a)	Mutual Funds/UTI	5,204	0.00
(b)	Financial Institutions/Banks	5,66,403	0.14
(c)	Insurance Companies	3,14,372	0.08
(d)	Foreign Institutional Investors	16,06,18,149	38.33
(2)	NON-INSTITUTIONS		
(a)	Bodies Corporate	2,97,76,067	7.11
(b)	Individuals	6,78,33,712	16.19
(c)	Others		
	Non-Resident Indians	24,57,154	0.59
	Trusts	1,187	0.00
	Overseas Corporate Bodies	48,67,825	1.16
	Directors and their Relatives	13	0.00
	Clearing Members	10,27,092	0.25
	Total B=B(1)+B(2)	26,74,67,178	63.83
	GRAND TOTAL (A+B)	41,90,03,986	100.00

(i) Dematerialization of shares and liquidity:

As at March 31, 2014, 99.98% of shareholding aggregating to 41,89,40,311 shares were held in dematerialized form with NSDL and CDSL, while 0.02 % aggregating to 63,675 shares were held in physical form. ISIN: INE191010102

(j) Outstanding GDRs/ ADRs/ Warrants:

There are no outstanding GDRs/ ADRs/ Warrants as on March 31, 2014, likely to have an impact on the Equity Share Capital of the Company.

(k) Address for Correspondence:

Housing Development and Infrastructure Limited
 9-01, HDIL Towers, Anant Kanekar Marg,
 Bandra (East), Mumbai - 400051, E-mail- info@hdil.in

For and on behalf of the Board of Directors

Place : Mumbai
 Date : May 23, 2014

Rakesh Kumar Wadhawan
 Executive Chairman

COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Housing Development and Infrastructure Limited

We have examined the compliance of conditions of corporate governance by Housing Development and Infrastructure Limited for the year ended on March 31, 2014, as stipulated under Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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 given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Jayesh R. Thar
Partner
Membership No. 32917

Place: Mumbai
Date: May 23, 2014

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors
Housing Development and Infrastructure Limited
HDIL Towers, Anant Kanekar Marg,
Bandra (East), Mumbai – 400 051

Re: Financial Statements for the year 2013-2014 – Certification by CEO and CFO

We, Sarang Wadhawan, Vice Chairman & Managing Director and Darshan D. Majmudar, Chief Financial Officer of Housing Development and Infrastructure Limited on the basis of review of the Financial Statement and the Cash Flow Statement for the financial year ending March 31, 2014 and to the best of our knowledge and belief, hereby certify that:

1. These statement do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable law and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct;
4. We accept responsibility for establishing and maintaining internal control, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies;
5. We further certify that:
 - a) there have been no significant changes in internal control during this year;
 - b) there have been no significant changes in accounting policies during this year;
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Place : Mumbai
Date: May 23, 2014

Sd/-
Sarang Wadhawan
Vice Chairman & Managing Director

Sd/-
Darshan D. Majmudar
Chief Financial Officer & Company Secretary

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Housing Development and Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, 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 Management is responsible for 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have 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, 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of the written representations received from the directors as on 31st March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Jayesh R. Thar
Partner
Membership No. 032917

Place : Mumbai
Date : May 23, 2014

ANNEXURE 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 31st March, 2014 of **Housing Development and Infrastructure Limited**:

- (i) **In respect of its Fixed Assets :**
- 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) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) **In respect of its Inventories :**
- a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) In respect of the loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Act:
- a) The Company has given loans to its subsidiary Companies. In respect of the said loans the maximum amount outstanding during the year are ₹ 89,897.15 lacs and the year-end balances of such loans are ₹ 88,632.24 in lacs.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - c) 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.
 - d) In respect of the said loans and interest thereon, there are no overdue amounts.
 - e) The Company has not taken any loans during the year from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets, sale of units in real estate and services. During the course of audit, we have not observed any continuing failure to correct the major weaknesses in the internal controls.
- (v) a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and having regard to our comments in paragraph (v)(a) above and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the registered maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- (vi) The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales Tax, Wealth-tax, Service-tax and other applicable statutory dues with the appropriate authorities except the following dues which were outstanding as at 31st March, 2014 for more than 6 months from the date they became payable –

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Nature of dues	₹ in Lacs (Including Interest)
Service Tax	40.79
Value Added Tax (VAT)	320.81
TDS on Works Contract (VAT)	494.90
Income Tax Deducted at Source (TDS)	289.65

- b) In our opinion and according to the information and explanations given to us by the management, there are no disputed statutory dues that have not been deposited on account of matters pending before the appropriate authorities, except for Income-tax demand of ₹ 25,772.37 lacs pertaining to the financial year 2010-11, for which the Company is in appeal before the Commissioner of Income Tax (CIT) Appeal, Mumbai. Against the said demand, the Company has filed the stay application which has been granted.
- (x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) As per the information and explanations furnished to us and our verification of records of the Company, the Company has delayed repayment of dues to Debenture Holders, Financial Institutions and Banks. An amount of ₹ 25,204.00 lacs towards principal and ₹ 4,636.20 lacs towards interest to Non-Cumulative Debenture Holders, ₹ 1,028.67 lacs towards interest on Term Loans from Financial Institutions and ₹ 2,875.40 lacs towards principal and ₹ 2,427.49 lacs towards interest on Term Loans from Banks are due as at the year end.
- (xii) Based on our examination of records and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. It has only invested in the shares of subsidiaries and other body corporates for which proper records have been maintained and timely entries have been made therein. The said investments are held in Company's own name.
- (xv) The Company has given guarantees for loans taken by subsidiary Companies, from banks and financial institutions. According to the information and explanations given to us, the terms and conditions of the aforesaid guarantees are not, prima facie, prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us and on the basis of books and records as produced before and examined by us, the term loans have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we are of opinion that there are no funds raised on short-term basis that have been used for long-term Investments.
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the register maintained u/s. 301 of the Act. Therefore, the provisions of paragraph 4(xviii) of the Order, are not applicable to the Company.
- (xix) In our opinion and according to the information and explanations given to us, the Company has created securities or charges in respect of the debentures issued.
- (xx) The Company has not raised money by way of public issue during the year. Hence, the clause 4(xx) of the Order is not applicable to the Company.
- (xxi) Based on the audit procedure performed and the representations obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.

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

Jayesh R. Thar
 Partner
 Membership No. 032917
 Place : Mumbai
 Date : May 23, 2014

BALANCE SHEET AS AT

(₹ in Lacs)

Particulars	Note No.	31st March 2014		31st March, 2013	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
Share Capital	2	41,900.40		41,900.40	
Reserves and Surplus	3	10,00,620.62	10,42,521.02	9,76,275.79	10,18,176.19
(2) Non-Current Liabilities					
Long-term borrowings	4	32,124.09		75,027.10	
Deferred tax liabilities (Net)	5	1,709.67		1,516.61	
Long term provisions	6	123.21	33,956.97	122.93	76,666.64
(3) Current Liabilities					
Short-term borrowings	7	1,37,954.47		1,51,307.14	
Trade payables	8	39,322.80		43,967.72	
Other current liabilities	9	3,10,777.35		3,28,248.42	
Short-term provisions	10	14,396.59	5,02,451.21	12,541.32	5,36,064.60
Total			15,78,929.20		16,30,907.43
II. ASSETS					
(1) Non-current assets					
Fixed assets	11				
(i) Tangible assets		17,472.70		16,507.72	
(ii) Intangible assets		12.61		196.08	
(iii) Capital work-in-progress		133.71	17,619.02	807.41	17,511.21
Non-current investments	12		83,693.35		83,886.45
Long term loans and advances	13		18.83		1,398.84
(2) Current assets					
Current investments	14	678.21		2,547.66	
Inventories	15	10,59,654.17		10,58,792.38	
Trade receivables	16	25,498.99		41,889.57	
Cash and bank balances	17	20,456.14		19,248.08	
Short-term loans and advances	18	3,71,310.49	14,77,598.00	4,05,633.24	15,28,110.93
Total			15,78,929.20		16,30,907.43
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 No. 110958W

Jayesh R. Thar
 (Partner)
 Membership No. 032917

 Place: Mumbai
 Date: May 23, 2014

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan
 Executive Chairman

Ashok Kumar Gupta
 Director

Raj Kumar Aggarwal
 Director

Shyam Sunder Dawra
 Director

Sarang Wadhawan
 Vice Chairman &
 Managing Director

Waryam Singh
 Director

Lalit Mohan Mehta
 Director

Darshan D. Majmudar
 Chief Financial officer &
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in Lacs)			
Particulars	Note No.	31st March, 2014	31st March, 2013
Revenue:			
Revenue from operations	19	77,079.26	98,053.14
Other Income	20	16,965.01	17,308.19
Total Revenue		94,044.27	115,361.33
Expenses:			
Cost of material consumed	21	41,826.41	31,171.92
Changes in inventories of finished goods and work-in-progress	22	(33,648.70)	(46,075.99)
Employee benefits expense	23	3,577.11	3,174.03
Finance costs	24	50,964.06	56,777.06
Depreciation and amortisation expense	11	780.06	781.98
Other expenses	25	4,992.33	8,823.06
Total Expenses		68,491.27	54,652.06
Profit before exceptional items and tax		25,553.00	60,709.27
Exceptional Items		-	(44,198.45)
Profit before tax		25,553.00	16,510.82
Tax expense:			
Current tax :			
Income tax		875.00	1,767.18
Deferred tax charge		193.06	205.65
		1,068.06	1,972.83
Profit for the year		24,484.94	14,537.99
Earnings per equity share of ₹ 10/- each	29		
Basic		5.81	3.46
Diluted		5.81	3.46
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 No. 110958W

Jayesh R. Thar
(Partner)
Membership No. 032917

Place: Mumbai
Date: May 23, 2014

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan
Executive Chairman

Ashok Kumar Gupta
Director

Raj Kumar Aggarwal
Director

Shyam Sunder Dawra
Director

Sarang Wadhawan
Vice Chairman &
Managing Director

Waryam Singh
Director

Lalit Mohan Mehta
Director

Darshan D. Majmudar
Chief Financial officer &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED

	31st March, 2014		31st March, 2013	
(₹ in Lacs)				
A Cash flow from operating activities				
Net profit before tax		25,553.00		16,510.82
Adjustments for :				
(1) Depreciation and amortisation expense	780.06		781.98	
(2) Interest expenses	50,964.06		56,777.06	
(3) Interest received	(12,478.46)		(17,300.73)	
(4) Dividend received	(5.72)		(5.72)	
(5) Profit on sale of fixed assets	(0.19)		-	
(6) Loss on sale of fixed assets	4.74		10.63	
(7) Fixed asset discarded	-		19.16	
(8) Loss/(profit) on sale of investments	(4,455.00)	34,809.49	82.99	40,365.37
Operating profit before working capital changes		60,362.49		56,876.19
Movements in working capital :				
Decrease / (Increase) in inventory	(861.79)		(1,877.54)	
Decrease / (Increase) in trade receivable	16,390.59		(14,025.03)	
Decrease / (Increase) in other receivables	35,702.75		(25,771.83)	
(Decrease) / Increase in trade and other payables	(8,164.52)		44,056.65	
Net movement in working capital		43,067.03		2,382.25
Cash generated from operations		103,429.52		59,258.44
Less : Direct taxes paid (net of refunds)		(783.74)		7,361.43
Net cash from operating activities		104,213.26		51,897.01
B Cash flows from investing activities				
(1) (Increase) / Decrease in capital work in progress	(819.59)		(121.16)	
(2) (Increase) / Decrease in investments (net)	6,517.55		43,677.90	
(3) Interest received	12,478.46		17,300.73	
(4) Dividend received	5.72		5.72	
(5) Purchase of fixed assets	(73.10)		(10.19)	
(6) Sale of fixed assets	0.27		11.53	
Net cash from investing activities		18,109.31		60,864.53
C Cash flows from financing activities				
(1) Proceeds from borrowings	46,440.47		1,403.35	
(2) Repayment of borrowings	(116,590.92)		(61,152.61)	
(3) Interest paid	(50,964.06)		(56,777.06)	
Net cash used in financing activities		(121,114.51)		(116,526.32)
Net increase in cash and cash equivalents (A + B + C)		1,208.06		(3,764.78)
Cash and cash equivalents at the beginning of the year		19,248.08		23,012.86
Cash and cash equivalents at the end of the year		20,456.14		19,248.08
Components of cash and cash equivalents as at		31-Mar-2014		31-Mar-2013
Cash on hand		39.57		57.29
With banks - on current account		81.58		589.16
- on Escrow account		20.26		4.85
- on deposit account *		20,314.73		18,596.78
Total		20,456.14		19,248.08

* includes fixed deposits of ₹ 1,119.25 lacs (previous year ₹ 646.20 lacs) pledged with bank as security for bank guarantees, ₹ 6,427.00 lacs (previous year ₹ 6,427.00 lacs) with bank for Debt Service Reserve and ₹ 10,744.19 lacs (previous year ₹ 9,842.50 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 **THAR & CO.**
Chartered Accountants
Firm Registration No. 110958W

Jayesh R. Thar
(Partner)
Membership No. 032917

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan
Executive Chairman

Ashok Kumar Gupta
Director

Raj Kumar Aggarwal
Director

Shyam Sunder Dawra
Director

Sarang Wadhawan
Vice Chairman &
Managing Director

Waryam Singh
Director

Lalit Mohan Mehta
Director

Darshan D. Majmudar
Chief Financial officer &
Company Secretary

Place: Mumbai
Date: May 23, 2014

NOTES ON FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES: -

A. Basis of preparation

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13th September, 2013 read with circular 08/2014 dated 4th April, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standard notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply all material aspects with the Accounting Standards notified under Section 211(3C) (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

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 VI to the Companies Act, 1956. 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 period reported. 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 and less depreciation. 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.

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

b) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

C. Depreciation and amortisation

Depreciation on fixed assets has been provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956. Intangible assets are amortised as follows:

Computer softwares : Over a period of three years.

D. Investments

Investments that are readily realisable and intended to be held for not more than a year 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 formula 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 project value. Cost formula 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

For ongoing projects as on 31st March, 2013 and where Company has already commenced the recognition of the revenue from those projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting"). Allocable expenses incurred during the year are debited to work-in-progress account. The income is accounted for as and when the projects get completed or substantially completed. The revenue is recognised to the extent it is probable and the economic benefits will flow to

NOTES ON FINANCIAL STATEMENTS

the Company and the revenue can be reliably measured. For projects commencing from 1st April, 2013, 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). However the Company has not commenced any projects since 1st April, 2013.

- 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) Share in revenue of entertainment vertical: -
Revenue is recognised on accrual basis.
- g) 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 transaction

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

NOTES ON FINANCIAL STATEMENTS

L. Income taxes

- a) Tax expense comprises of current and deferred tax. 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 as 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.

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". All its subsidiary Companies are engaged into similar activities except HDIL Entertainment Private Limited which is into entertainment segment. Since its revenue / activities are not significant the same is not reported separately.

N. Earnings per equity 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.

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
2. SHARE CAPITAL		
Authorised		
50,00,00,000 (previous year 50,00,00,000) Equity Share of ₹ 10/- each	50,000.00	50,000.00
Issued, Subscribed and Paid Up		
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
Total	41,900.40	41,900.40
The aggregate number of bonus shares issued in the last five years immediately preceding the Balance Sheet date is 6,12,20,595 equity shares.		
Reconciliation of the number of shares outstanding :		
Equity Shares	Number	Number
Shares outstanding at the beginning of the year	41,90,03,986	41,90,03,986
Shares outstanding at the end of the year	41,90,03,986	41,90,03,986
Terms / rights attached to shares :		
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.		
Shares in the Company held by each shareholder holding more than 5 percent :		
Rakesh Kumar Wadhawan	Number 7,60,47,661 18.15%	7,60,47,661 18.15%
Orbis SICAV - Asia Ex- Japan Equity Fund	Number 3,29,90,632 7.87%	3,29,90,632 7.87%
Platinum Investment Management Limited A/C Platinumasia Fund	Number 2,75,68,771 6.58%	3,30,62,524 7.89%

NOTES ON FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
3. RESERVE AND SURPLUS		
Securities Premium Account		
Opening Balance	4,91,143.48	4,91,143.48
Closing Balance	4,91,143.48	4,91,143.48
Debenture Redemption Reserve		
Opening Balance	87,999.60	1,04,920.00
Add : Transferred from Statement of Profit and Loss	24,400.00	14,472.90
Less : Transferred to General Reserve	38,294.77	31,393.30
Closing Balance	74,104.83	87,999.60
Share Warrants Forfeiture Account:		
Opening Balance	15,219.97	15,219.97
Less : Transferred to General Reserve	15,219.97	-
Closing Balance	-	15,219.97
General Reserve		
Opening Balance	3,78,065.80	3,46,672.50
Add : Transferred from Share Warrants Forfeiture Account	15,219.97	-
Add : Transferred from Debenture Redemption Reserve	38,294.77	31,393.30
Closing Balance	4,31,580.54	3,78,065.80
Surplus in the Statement of Profit and Loss		
Opening Balance	3,846.94	3,804.35
Less: Short provision for tax of earlier years	140.11	22.50
Add : Net Profit for the current year	24,484.94	14,537.99
Less : Transferred to Debenture Redemption Reserve	24,400.00	14,472.90
Closing Balance	3,791.77	3,846.94
Total	10,00,620.62	9,76,275.79
4. LONG TERM BORROWINGS		
Secured Long Term Borrowings :		
16,742 (Previous year 18,942) Redeemable Non-Convertible Debentures of ₹ 10 lacs each *	32,124.09	75,027.10
Total	32,124.09	75,027.10

*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) : -

14,475 (Previous year 23,000) 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 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

NOTES ON FINANCIAL STATEMENTS

secured by mortgage of first to nine floors except 3rd, 4th and 6th 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 5th 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 Executive Chairman and 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: (₹ in Lacs)

Rate of Interest	Maturity Profile						Total
	April 2015- March 2016	April 2016- March 2017	April 2017- March 2018	April 2018- March 2019	April 2019- March 2020	April 2020- March 2021	
12.00%	8,085.83	3,145.40	-	-	-	-	11,231.23
13.25%	1,200.00	3,384.38	4,773.21	4,773.21	4,773.22	1,988.84	20,892.86
Total	9,285.83	6,529.78	4,773.21	4,773.21	4,773.22	1,988.84	32,124.09

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
5. DEFERRED TAX LIABILITIES (NET)		
Arising on account of timing differences		
Liabilities		
Related to fixed assets	1,858.20	1,596.14
	<u>1,858.20</u>	<u>1,596.14</u>
Assets		
Bonus payable	50.42	44.15
Provision for gratuity	39.81	21.54
Provision for encashment of leave	58.30	13.84
	<u>148.53</u>	<u>79.53</u>
Total	<u>1,709.67</u>	<u>1,516.61</u>
6. LONG TERM PROVISIONS		
Provision for employee benefits :		
Leave Encashment	123.21	122.93
Total	<u>123.21</u>	<u>122.93</u>
7. SHORT TERM BORROWINGS		
Secured Short Term Borrowings :		
Loans repayable on demand from Bank (Refer 7 - I)	10,732.79	9,842.50
Term Loans from Scheduled Banks (Refer 7 - II)	74,291.33	90,172.68
Term loans from Financial Institutions (Refer 7 - III)	52,930.35	51,291.96
Total	<u>1,37,954.47</u>	<u>1,51,307.14</u>

NOTES ON FINANCIAL STATEMENTS

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 9% for ₹63.65 lacs and 10.75% for ₹ 10,669.14 lacs. (Previous year 10% for ₹69.12 lacs, 10.75% for ₹ 9,712.53 lacs and 11% for ₹60.85 lacs).

II) Loans from Scheduled Banks :-

a) Central Bank of India :-

- 1) Secured by registered mortgage of immovable properties admeasuring 40,468.56 Sq. mtrs. situated at CTS No. 637A, Premier Road, Village Kurla, Mumbai. Rate of interest base rate + 5 % p.a. payable monthly. 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.
- 2) Secured by future rent receivable in favour of bank and further secured by registered mortgage of immovable property admeasuring 2,915.68 Sq. mtrs. comprising six screen Multiplex situated at a part portion of the 2nd floor, Commercial Building no. 2, Dreams Mall, on land bearing CTS Nos. 642, 642/1 to 642/29, CTS no. 654 of village Kanjur and CTS 426 of village Bhandup, Mumbai suburban district. Rate of interest base rate + 5% p.a. payable monthly. Repayable in 33 monthly installments of ₹ 72.60 lacs each (Principal and Interest) commencing from December, 2013.

b) Punjab and Sind Bank :-

Secured by exclusive charge on B & D Wings out of A, B, C & D wings, equivalent to 62,755.48 Sq. mtrs. of area of the building named as Majestic Tower, at Village Nahur, Mumbai, on the Plot of CTS 300/ A-1 and 1021/B of Village Bhandup and CTS No. 771 of Village Nahur, Mumbai. Rate of Interest base rate + 5% p.a. payable monthly. Repayable in 36 monthly installments of ₹ 347.22 lacs each commencing from September 2012.

c) The Jammu and Kashmir Bank :-

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

Both the 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.

d) Oriental Bank of Commerce :-

Secured by exclusive charge on A & C Wings out of A, B, C & D wings, equivalent to 62,755.48 Sq. mtrs. of area of the building named as Majestic Tower, at Nahur, Mumbai, on the Plot of CTS 300/ A-1 and 1021/B of Village Bhandup and CTS No. 771 of Village Nahur, Mumbai. Rate of Interest base rate + 5.50% p.a. payable monthly. Repayable in 36 monthly installments of ₹ 347.22 lacs each commencing from August 2012.

e) 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. Rate of Interest base rate + 5% payable monthly. Repayable in 12 equal quarterly installments of ₹ 1,250.00 lacs each commencing from June 2014.
- 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. Rate of interest is base rate + 5% payable monthly. Repayable within 12 equal quarterly installments of ₹ 625.00 lacs each commencing from December 2013.

NOTES ON FINANCIAL STATEMENTS

- f) 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. Rate of Interest base rate + 3% payable monthly. Repayable in 12 equal quarterly installments ₹ 834.00 lacs each commencing from February 2015.
- g) Punjab National Bank :-**
- The Term loan of ₹ 20,000.00 lacs is repaid fully during the year.
 - The Term loan of ₹ 25,000.00 lacs is repaid fully during the year.
- h) UCO Bank :-**
 The Term loan of ₹ 25,000.00 lacs is repaid fully during the year.
- III) Term Loans from Financial Institution :-**
- a) IL & FS - PMDO:-**
- Rate of interest of the Term loan is 13.50% p.a. payable monthly. Repayable in 18 quarterly installments of the staggered amount commencing from October, 2015.
 - Rate of interest of the Funded interest term loan is 13.50% p.a. payable monthly. Repayable in 12 quarterly installments commencing from February, 2016.
- 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 :-**
- 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 3rd, 4th and 6th floors of commercial building area admeasuring 18,194.54 Sq. mtrs. situated at HDIL Towers, Bandra (East), Mumbai. Rate of interest is 13% p.a. payable monthly. Repayable in 12 quarterly installments of ₹ 1,688.15 lacs each commencing from September, 2016.
 - 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 Executive Chairman and Vice Chairman and Managing Director of the Company.**

NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
8. TRADE PAYABLES		
Trade Payables		
- Micro, Small and Medium Enterprises	-	-
- Others	39,322.80	43,967.72
Total	39,322.80	43,967.72
Micro, Small and Medium Enterprises		
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 year.		
9. OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts		
Redeemable Non-Convertible Debentures (For securities and other terms and conditions, refer Note 4- I, II, III)	74,104.83	87,999.60
b) Interest accrued but not due on loans	3,321.67	4,713.72
c) Interest accrued and due on loans	12,048.12	10,101.19
d) Advances from customers	203,182.69	209,761.88
e) Unpaid dividend	10.49	10.58
f) Share application money refundable	9.07	9.07
g) Other payables		
i) Due to employees	562.95	389.09
ii) Statutory dues	2,057.30	3,386.09
iii) Security deposit received	5,114.34	10,097.73
iv) Others	10,365.89	1,779.47
Total	310,777.35	328,248.42
10. SHORT TERM PROVISIONS		
Provision for employee benefits :		
Gratuity	117.13	66.38
Leave Encashment	48.32	42.66
	165.45	109.04
Other Provisions :		
Provision for taxation	43,216.82	50,073.04
Less : Tax Paid	28,985.68	37,640.76
	14,231.14	12,432.28
Total	14,396.59	12,541.32

NOTES ON FINANCIAL STATEMENTS

11. FIXED ASSETS

(₹ in Lacs)

Description	Cost			Depreciation					WDV	
	As at 1st April, 2013	Additions	Deletions	As at 31st March, 2014	Upto 31st March, 2013	For the Year	On sale or adjustments	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Own Assets :										
Tangible Assets:										
Freehold Land	693.28	-	-	693.28	-	-	-	-	693.28	693.28
Buildings	15,144.56	1,493.29	-	16,637.85	1,297.73	353.50	-	1,651.23	14,986.62	13,846.83
Plant and Machinery	647.96	17.90	-	665.86	96.95	36.10	-	133.05	532.81	551.01
Furniture and Fixtures	347.79	-	-	347.79	96.11	31.13	-	127.24	220.55	251.68
Vehicles	983.79	-	-	983.79	354.84	93.46	-	448.30	535.49	628.95
Office Equipments	405.18	45.18	0.33	450.03	86.25	19.94	0.33	105.86	344.17	318.93
Other Assets										
Computers	363.71	1.95	-	365.66	146.67	59.21	-	205.88	159.78	217.04
Total (A)	18,586.27	1,558.32	0.33	20,144.26	2,078.55	593.34	0.33	2,671.56	17,472.70	16,507.72
Intangible Assets:										
Computer softwares	737.97	3.25	-	741.22	541.89	186.72	-	728.61	12.61	196.08
Total (B)	737.97	3.25	-	741.22	541.89	186.72	-	728.61	12.61	196.08
Total (A) + (B)	19,324.24	1,561.57	0.33	20,885.48	2,620.44	780.06	0.33	3,400.17	17,485.31	16,703.80
Previous year	19,406.14	10.20	92.10	19,324.24	1,889.23	781.98	50.77	2,620.44	16,703.80	17,516.91
Capital Work-in-Progress									133.71	807.41

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
12. NON-CURRENT INVESTMENTS		
Investments (At Cost) (Non Trade) / (Long Term)		
Investments in immovable properties		
Leased out at HDIL Towers	2,976.88	2,976.88
Leased out at Pali Arcade	313.72	313.72
	3,290.60	3,290.60
Other than trade (Unquoted Shares)		
Punjab & Maharashtra Co-op. Bank Limited	47.50	47.50
1,90,000 (previous year 1,90,000) Equity Shares of ₹ 25/- each fully paid-up		
Dreams The Mall Company Limited	9.40	-
93,957 (previous year Nil) Equity Shares of ₹ 10/- each fully paid-up		
	56.90	47.50
In subsidiary Company (Unquoted Shares)		
HC Infracity Private Limited	750.00	750.00
75,00,000 (previous year 75,00,000) Equity Shares of ₹ 10/- each fully paid-up		
Privilege Power and Infrastructure Private Limited	32,846.03	32,846.03
1,50,00,000 (previous year 1,50,00,000) Equity Shares of ₹ 100/- each fully paid-up		
HDIL Entertainment Private Limited	7,198.30	7,198.30
2,50,00,000 (previous year 2,50,00,000) Equity Shares of ₹ 10/- each fully paid-up		
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 paid-up		
Blue Star Realtors Private Limited	321.20	321.20
12,84,780 (previous year 12,84,780) 0.01% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paidup		

NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Ravijyot Finance & Leasing Private Limited 3,00,000 (previous year 3,00,000) Equity Shares of ₹ 10/- each fully paid-up	30.00	30.00
Excel Arcade Private Limited 50,000 (previous year 50,000) Equity Shares of ₹ 10/- each fully paid-up	605.50	605.50
Mazda Estates Private Limited 50,000 (previous year 50,000) Equity Shares of ₹ 10/- each fully paid-up	2,710.35	2,710.35
Guruashish Construction Private Limited 11,00,000 (previous year 11,00,000) Equity Shares of ₹ 100/- each fully paid-up	24,548.75	24,548.75
BKC Developers Private Limited 98,500 (previous year 98,500) Equity Shares of ₹ 10/- each fully paid-up	9,297.20	9,297.20
Lashkaria Construction Private Limited 69,00,000 (previous year 69,00,000) Equity Shares of ₹ 10/- each fully paid-up	690.00	690.00
	80,345.85	80,345.85
In Associate Company (Unquoted Shares)		
HDIL Leisures Private Limited	-	202.50
Nil (previous year 20,25,000) Equity Shares of ₹ 10/- each fully paid-up	-	202.50
Total	83,693.35	83,886.45
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.		
13. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Deposits	18.83	1,398.84
Total	18.83	1,398.84
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.		
14. CURRENT INVESTMENT		
Current Investments (at lower of cost or market value)		
In joint ventures		
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	1,547.66
Heritage Housing Development Corporation (Fixed Capital ₹ Nil) (Share of profit-60%, other partner and share of profit is Pioneer India Developers Private Limited - 40%.)	676.63	1,000.00
Total	678.21	2,547.66
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.		
15. INVENTORIES		
Work-in-progress (lower of cost or net realisable value)	1,035,835.17	1,040,902.86
Finished goods (lower of cost or net realisable value)	23,819.00	17,889.52
Total	1,059,654.17	1,058,792.38
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 FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
16. TRADE RECEIVABLES		
Exceeding six months		
Unsecured, Considered good	15,421.78	23,232.44
Other		
Unsecured, Considered good	10,077.21	18,657.13
Total	25,498.99	41,889.57
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.		
17. CASH AND BANK BALANCES		
a) Cash and Cash Equivalents		
i) Cash on hand	39.57	57.29
ii) Balance with banks		
In current accounts	55.57	562.89
b) Other bank balances		
i) In Fixed Deposit with more than 3 months maturity *	20,314.73	18,596.78
ii) Current Account balance with banks in unpaid dividend and share application money account	26.01	26.27
iii) Current Account balances in Escrow Account	20.26	4.85
Total	20,456.14	19,248.08
* includes fixed deposits of ₹ 1,119.25 lacs (previous year ₹ 646.20 lacs) pledged with bank as security for bank guarantees, ₹ 6,427.00 lacs (previous year ₹ 6,427.00) with bank for Debt Service Reserve and ₹ 10,744.19 lacs (previous year ₹ 9,842.50 lacs) pledged with bank as security for bank overdraft.		
18. SHORT TERM LOANS AND ADVANCES		
Unsecured, consider good		
a) Loans and advances to related parties		
Loan to subsidiaries	88,632.24	79,624.99
Loan to associates	-	16,876.73
b) Others		
Security deposits	2,207.12	2,185.97
Advance to suppliers	27,644.74	22,313.02
Advances for land purchase/tenancy/claims/development rights	251,675.78	283,947.92
Loans to employees	27.07	43.03
Prepaid expenses	38.04	103.68
Interest accrued on fixed deposits	507.93	392.09
Cenvat Credit	577.57	145.81
Total	371,310.49	405,633.24
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 FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
19. REVENUE FROM OPERATION		
a) Sale of Product		
i) Sale of commercial and residential units	65,202.85	1,288.16
ii) Sale of development rights/FSI/Land/TDR	8,919.96	95,396.81
iii) Sale of Services	-	74.24
b) Other operating income		
i) Lease rental (Refer Note No. 19.1)	1,020.75	1,147.44
ii) Others	1,935.70	146.49
Total	77,079.26	98,053.14
19.1 Assets given on lease :		
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 ₹ 1,020.75 lacs (previous year ₹ 1,147.44 lacs)		
c) Total minimum lease payments receivable		
The total of minimum lease payments for the year		
Not more than one year	1,160.76	578.87
Not less than one year and not more than five years	2,063.87	331.67
More than five years	1,009.40	36.65
20. OTHER INCOME		
Interest received	12,478.46	17,300.73
Dividend received (From Co-operative Bank)	5.72	5.72
Maintenance Income (Net)	20.30	-
Profit on foreign exchange fluctuation - net	0.11	-
Income from sale of fixed assets	0.19	-
Income from sale of Shares	4,455.00	-
Miscellaneous income	5.23	1.74
Total	16,965.01	17,308.19
21. COST OF MATERIAL CONSUMED		
Tenancy/claims/FSI/development rights/Land	3,436.69	6,284.79
Cost of material consumed	38,389.72	24,887.13
Total	41,826.41	31,171.92
22. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening finished goods	17,889.52	21,869.71
Opening work-in-progress	1,040,902.86	1,035,045.13
Less : Adjustment during the year	32,786.91	44,198.45
Sub Total	1,026,005.47	1,012,716.39
Closing finished goods	23,819.00	17,889.52
Closing work-in-progress	1,035,835.17	1,040,902.86
Sub Total	1,059,654.17	1,058,792.38
Total	(33,648.70)	(46,075.99)

* Work-in-progress is adjusted towards removal of defective works. However, the same has no impact on current year profits.

NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
23. EMPLOYEE BENEFITS EXPENSE		
a) Salaries and incentives	3,251.78	2,886.10
b) Contributions to Provident and other funds	269.26	230.41
c) Staff welfare expenses	56.07	57.52
Total	3,577.11	3,174.03
<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>A) Gratuity Plan :-</p> <p>Defined Benefit Plan</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>		
i) Reconciliation of opening and closing balance of the present value of the defined benefit obligation		
Obligation at beginning of year	317.92	286.22
Interest cost	29.09	23.49
Current service cost	49.03	44.32
Benefits paid	(40.39)	(19.73)
Benefits payable	(7.80)	-
Actuarial (gain) loss on defined benefit obligation	(3.04)	(16.38)
Obligation at year end	344.81	317.92
ii) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows		
Opening fair value of plan assets	251.54	251.41
Expected return	22.52	21.74
Actuarial gains and (losses)	(1.32)	(1.88)
Adjustment to opening fund	(4.67)	-
Contribution by employer	-	-
Benefits paid	(40.39)	(19.73)
Closing fair value of plan assets	227.68	251.54
iii) Amounts to be recognised in the Balance Sheet		
Projected benefit obligation, at the end of the year	344.81	317.92
Fair value of plan assets at end of the year	227.68	251.54
Net asset / (liability) recognised in the Balance Sheet	(117.13)	(66.38)
iv) Gratuity cost for the year		
Current service cost	49.03	44.32
Adjustment to opening fund	4.67	-
Interest cost on obligation	29.09	23.49
Expected return on plan assets	(22.52)	(21.74)
Net actuarial (gain) / loss	(1.72)	(14.50)
Reversal of benefits payable in previous period	(7.80)	-
Expense recognised in the Statement of Profit and Loss	50.75	31.57

NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
B) Leave encashment liability :-		
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.		
i) Reconciliation of opening and closing balance of the present value of the defined benefit obligation		
Obligation at beginning of the year	165.58	169.67
Interest cost	15.99	14.42
Current service cost	30.51	27.48
Actuarial (gain) loss on defined benefit obligation	(40.55)	(45.99)
Obligation at year end	171.53	165.58
ii) Amounts to be recognised in the Balance Sheet		
Projected benefit obligation, at the end of the year	171.53	165.58
Fair value of plan assets at end of the year	-	-
Net asset/(liability) recognised in the Balance Sheet	(171.53)	(165.58)
iii) Leave Encashment cost for the year		
Current service cost	30.51	27.48
Interest cost on obligation, at the end of the year	15.99	14.42
Expected return on plan assets	-	-
Net actuarial (gain) / loss	(40.55)	(45.99)
Expense recognised in the Statement of Profit and Loss	5.95	(4.09)
C) Valuation Assumptions		
Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.		
i) Discount Rate	9.10%	8.20%
ii) Salary Growth	7.00%	7.00%
iii) Expected rate of return		
Gratuity	9.00%	9.00%
Leave encashment	NA	NA
iv) Mortality :	Indian Assured Lives Mortality (2006-08) Ult. (P.Y.- LIC (1994-96) published table of mortality rate)	
v) Withdrawals :	5% at younger ages reducing to 1% to older ages	
vi) Retirement age :	60 years	
vii) Leave Consumption Factors :	10% at younger ages tapering to 2% at older ages	
24. FINANCE COST		
a) Interest expenses :		
i) Project specific interest expenses	40,733.87	47,665.59
ii) Other interest	10,230.19	9,111.47
Total	50,964.06	56,777.06

NOTES ON FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
25. OTHER EXPENSES		
Advertisement and sales promotion expenses	823.94	435.34
Commission and brokerage	2.70	66.13
Electricity charges	856.73	602.15
Insurance charges	16.40	39.90
Bank Charges	29.12	39.44
Other expenses	199.33	244.88
Loss on sale of investments	-	82.99
Loss on sale of fixed assets	4.74	10.63
Fixed asset discarded	-	19.16
Loss on foreign exchange fluctuation - net	-	0.12
Membership and subscription	16.75	15.63
Printing and stationery	82.05	74.16
Security charges	102.55	579.46
Professional fees	1,175.60	3,726.60
Rent paid (Refer Note 25.1)	29.15	45.81
Rates and taxes	892.61	1,515.80
Repairs and maintenance to buildings	7.10	55.27
Repairs and maintenance to other assets	50.29	125.28
Stamping and registration	150.97	151.67
Communication expenses	107.50	97.87
Postages and telegram expenses	11.13	6.24
Travelling and conveyance expenses	104.89	241.86
Remuneration to auditors (Refer Note 25.2)	120.00	126.18
Directors remuneration, commission and sitting fees (Refer Note 25.3)	207.60	58.60
Donations	1.00	5.40
Filing fees paid to the Registrar of Companies	0.18	0.06
Maintenance expenses	-	456.43
Total	4,992.33	8,823.06
Above expenses includes Project related expenses	3,285.10	6,468.97
25.1 Assets taken on lease :		
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 ₹ 29.15 lacs (previous year ₹ 45.81 lacs)		
c) Total minimum lease payments payable		
The total of minimum lease payments for year :		
Not more than one year	32.35	9.44
Not less than one year and not more than five years	41.67	-
More than five years	-	-

NOTES ON FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
25.2 Remuneration to Auditors		
a) Audit fees	60.00	63.09
b) Taxation matters	20.00	21.03
c) Management consultancy	20.00	21.03
d) Other services	20.00	21.03
Total	120.00	126.18
25.3 Managerial Remuneration		
a) Remuneration to the Executive Chairman and Vice Chairman & Managing Director	-	-
b) Commission to Non-Executive Directors	200.00	50.00
c) Sitting fees	7.60	8.60
Total	207.60	58.60
25.4 Computation of net profits for Commission payable to the Non-Executive Directors		
Profit before tax as per Statement of Profit and Loss	25,553.00	16,510.82
Add: Remuneration to the Executive Chairman and Chairman & Managing Director	-	-
Commission to Non-Executive Directors	200.00	50.00
Sitting fees	7.60	8.60
Depreciation charged in account	780.06	781.98
Net loss on sale of fixed assets as per account	4.55	10.63
Fixed asset discarded	-	19.16
Net loss on sale of Investment as per account	-	82.99
	26,545.21	17,464.18
Less: Depreciation as per Section 350 of the Companies Act, 1956	780.06	781.98
Net Profit on sale of Investment as per account	4,455.00	-
	5,235.06	781.98
Net profit as per Section 349 of the Companies Act, 1956	21,310.15	16,682.20
Commission payable to Non-Executive Directors @ 1% of the net profit	213.10	166.82
Restricted to	200.00	50.00
26. CIF VALUE OF IMPORTS		
Value of imports calculated on CIF basis		
- Elevator in Building (C.I.F.)	Nil	50.57
- Construction materials and other expenses	Nil	Nil
27. EXPENDITURE IN FOREIGN CURRENCY		
Expenditure in foreign currency		
- Other matters	18.00	29.63
28. EARNINGS IN FOREIGN CURRENCY		
Earnings in foreign currency	Nil	Nil

NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
29. EARNINGS PER EQUITY SHARE HAS BEEN COMPUTED AS UNDER:		
(a) Net profit after tax as per Statement of Profit and Loss	24,484.94	14,537.99
(b) Less: Short provision for tax of earlier years	140.11	22.50
(c) Net Profit attributable to Equity Shareholders	24,344.83	14,515.49
(d) 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
(e) Basic Earnings per share	5.81	3.46
(f) Diluted Earnings per share	5.81	3.46
(g) Nominal value per equity share is ₹ 10/-		

30. RELATED PARTY DISCLOSURE

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

Subsidiaries

1. Privilege Power and Infrastructure Private Limited
2. HDIL Entertainment Private Limited
3. Blue Star Realtors Private Limited
4. Ravijyot Finance and Leasing Private Limited
5. Excel Arcade Private Limited
6. Mazda Estates Private Limited
7. Guruashish Construction Private Limited
8. BKC Developers Private Limited
9. Lashkaria Construction Private Limited
10. HC Infracity Private Limited

Associates

1. HDIL Leisures Private Limited (upto 11/03/2014)

Enterprise significantly influenced by key management personnel

1. Privilege Airways Private Limited
2. Privilege Industries Limited

Joint Venture

1. Fine Developers
2. Heritage Housing Development Corporation

Key management personnel

Name

Shri Rakesh Kumar Wadhawan
 Shri Sarang Wadhawan
 Shri K. P. Devassy

 Shri Darshan D. Majmudar

Designation

Executive Chairman
 Vice Chairman & Managing Director
 Chief Financial Officer (Up to 13/02/2014) and Group
 Chief Financial Officer (w.e.f. 14/02/2014)
 Vice President - Company Secretary and Legal (Up to
 13/02/2014) and Chief Financial Officer and Company
 Secretary (w.e.f. 14/02/2014)

NOTES ON FINANCIAL STATEMENTS

B. Transactions with related party

(₹ in lacs)

Nature of transaction	31st March, 2014					31st March, 2013				
	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates/ Relative of Promoters	Key Management Personnel	Total	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates/ Relative of Promoters	Key Management Personnel	Total
Loans/advances paid	10,826.94	-	-	-	10,826.94	13,435.18	-	1,545.53	-	14,980.71
Loans/advances received	1,819.40	-	16,876.73	-	18,696.13	9,435.28	-	-	-	9,435.28
Allotment of equity shares	-	-	-	-	-	5,314.85	-	-	-	5,314.85
Redemption of debentures (Investment)	-	-	-	-	-	51,000.00	-	-	-	51,000.00
Advances for projects	33,165.75	-	-	-	33,165.75	48,796.89	-	-	-	48,796.89
Investment in firm	-	-	(1,869.45)	-	(1,869.45)	-	-	2,047.66	-	2,047.66
Interest income	8,959.38	-	1,604.46	-	10,563.84	13,611.77	-	1,797.80	-	15,409.57
Lease rent income	-	-	-	-	-	1.20	2.40	-	-	3.60
Share of revenue income	60.03	-	-	-	60.03	72.86	-	-	-	72.86
Salary paid	-	-	-	101.72	101.72	-	-	-	90.00	90.00
Purchase of Land / FSI	-	-	-	-	-	155.56	-	-	-	155.56
Travelling expenses	-	-	-	-	-	-	9.38	-	-	9.38
Outstanding as at year end- Due from	88,632.24	-	678.21	-	89,310.45	79,624.99	2.20	19,424.38	-	99,051.57
Outstanding as at year end- Due to	79,791.39	600.69	-	-	80,392.08	48,796.89	600.69	-	-	49,397.58

(₹ in lacs)

Particulars	31st March, 2014	31st March, 2013
C. Disclosure in respect of material transactions with related parties during the year (included in 'B' above)		
Loans/advances paid		
Privilege Power & Infrastructure Private Limited	3,455.85	4,196.88
Guru Ashish Construction Private Limited	1,124.96	4,227.37
Ravijyot Finance and Leasing Private Limited	2,131.83	1,694.55
Blue Stare Realtors Private Limited	3,193.08	1,746.87
Mazda Estates Private Limited	4.11	0.41
Excel Arcade Private Limited	-	354.25
B K C Developers Private Limited	716.82	633.29
HC Infracity Private Limited	-	581.56
Lashkaria Construction Private Limited	200.28	-
HDIL Leisures Private Limited	-	1,545.53
Loans/advances received		
HDIL Entertainment Private Limited	121.22	4,189.00
Lashkaria Construction Private Limited	-	5,246.28
Excel Arcade Private Limited	554.77	-
HC Infracity Private Limited	1,143.41	-
HDIL Leisures Private Limited	16,876.73	-
Investment in partnership firm		
Fine Developers	(1,546.08)	1,047.66
Heritage Housing Development Corporation	(323.37)	1,000.00
Allotment of equity shares		
HDIL Entertainment Private Limited	-	4,500.00
HC Infracity Private Limited	-	749.25
Ravijyot Finance and Leasing Private Limited	-	49.00
Mazda Estates Private Limited	-	3.60
Excel Arcade Private Limited	-	4.00
B K C Developers Private Limited	-	9.00

NOTES ON FINANCIAL STATEMENTS

	(₹ in lacs)	
Particulars	31st March, 2014	31st March, 2013
Redemption of debentures (Investment)		
Guru Ashish Construction Private Limited	-	51,000.00
Advances for projects		
Privilege Power & Infrastructure Private Limited	33,165.75	48,796.89
Purchase of Land/FSI		
Privilege Power & Infrastructure Private Limited	-	155.56
Travelling Expenses		
Privilege Airways Private Limited	-	9.38
Salary paid		
Shri K P Devassy	55.72	50.00
Shri Darshan D. Majmudar	46.00	40.00
Interest income		
Privilege Power & Infrastructure Private Limited	2,171.24	1,703.00
Ravijyot Finance and Leasing Private Limited	2,183.38	1,941.01
Blue Stare Realtors Private Limited	3,219.06	2,901.91
HDIL Entertainment Private Limited	31.21	-
Mazda Estates Private Limited	4.21	4.02
Excel Arcade Private Limited	44.62	55.92
B K C Developers Private Limited	734.24	648.37
HDIL Leisures Private Limited	1,604.46	1,797.81
Guru Ashish Construction Private Limited	571.42	6,357.53
Lease rent income		
Privilege Power & Infrastructure Private Limited	-	1.20
Privilege Airways Private Limited	-	1.20
Privilege Industries Limited	-	1.20
Share of revenue income		
HDIL Entertainment Private Limited	60.03	72.86
Outstandings		
Trade receivable, loans and advances, other assets (net)		
Privilege Airways Private Limited	-	1.20
Privilege Industries Limited	-	1.00
Privilege Power & Infrastructure Private Limited	19,884.93	16,429.08
Guru Ashish Construction Private Limited	5,352.34	4,227.37
Ravijyot Finance and Leasing Private Limited	19,362.41	17,230.58
Blue Star Realtors Private Limited	28,591.21	25,398.13
Mazda Estates Private Limited	37.47	33.36
Excel Arcade Private Limited	72.57	627.34
B K C Developers Private Limited	6,540.03	5,823.21
HDIL Entertainment Private Limited	137.05	258.27
Lashkaria Construction Private Limited	5,668.46	5,468.46
HC Infracity Private Limited	2,985.77	4,129.18
HDIL Leisures Private Limited	-	16,876.73
Fine Developers	1.58	1,547.66
Heritage Housing Development Corporation	676.63	1,000.00
Trade payable, advances for projects		
Privilege Airways Private Limited	600.69	600.69
Privilege Power & Infrastructure Private Limited	79,791.39	48,796.89

NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
31. CONTINGENT LIABILITIES NOT PROVIDED FOR		
a) (i) Claims against the Company not acknowledged as debts (represents suits filed by the parties in the Court, and disputed by the Company)	50,056.00	23,077.61
(ii) The Mumbai International Airport Limited has issued notice of termination dated 6th February, 2013 on the Company of their agreement for Mumbai International Airport Slum Rehabilitation Project. The Company has challenged the said notice of termination and have initiated legal proceedings as per advice of legal counsel. Subsequent to notice of termination of the agreement, the Company may be held liable to pay liquidated damages aggregating to ₹ 27,600.00 lacs.	-	27,600.00
(iii) Income-tax demands disputed by the Company (net of amounts provided)	13,287.67	23,908.97
b) Guarantees provided by the bank	646.20	646.20
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		
Guru Ashish Construction Private Limited	21,500.00	21,500.00
Privilege Power and Infrastructure Private Limited	75,600.00	50,000.00
(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 bank.	5,000.00	5,000.00
32. COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	63.90	63.90

33. NATURE OF OPERATIONS

Housing Development and Infrastructure Limited (HDIL) is a leading real estate and infrastructure development company. Besides core activities of construction, subsidiary of HDIL is also involved in Entertainment sector.

34. Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date attached

For **THAR & CO.**
Chartered Accountants
Firm Registration No. 110958W

Jayesh R. Thar
(Partner)
Membership No. 032917

Place: Mumbai
Date: May 23, 2014

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan
Executive Chairman

Ashok Kumar Gupta
Director

Raj Kumar Aggarwal
Director

Shyam Sunder Dawra
Director

Sarang Wadhawan
Vice Chairman &
Managing Director

Waryam Singh
Director

Lalit Mohan Mehta
Director

Darshan D. Majmudar
Chief Financial officer &
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Board of Directors 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** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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 accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

Based on our audit and on consideration of reports of other auditors on separate financial statements, and on the other financial information of the components of the Group as referred to in paragraph below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

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 (net) of ₹ 18,154.39 lacs as at 31st March, 2014, total revenue (net) of ₹ 3,470.58 lacs and net cash flows amounting to ₹ 66.05 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statement to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For **Thar & Co.**,

Chartered Accountants
Firm Registration No: 110958W

Jayesh R. Thar

Partner
Membership No. 032917

Place : Mumbai
Date : May 23, 2014

CONSOLIDATED BALANCE SHEET AS AT

(₹ in lacs)

Particulars	Note No.	31st March, 2014		31st March, 2013	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
Share Capital	2	41,900.40		41,900.40	
Reserves and Surplus	3	10,14,004.72	10,55,905.12	9,96,371.44	10,38,271.84
(2) Minority Interest			738.21		725.76
(3) Non-Current Liabilities					
Long-term borrowings	4	1,12,711.85		1,26,429.60	
Deferred tax liabilities (Net)	5	1,893.09		1,661.41	
Long term provisions	6	136.75	1,14,741.69	135.44	1,28,226.45
(4) Current Liabilities					
Short-term borrowings	7	1,64,329.33		1,87,453.01	
Trade payables	8	44,085.38		48,856.51	
Other current liabilities	9	2,94,494.17		3,15,459.25	
Short-term provisions	10	14,400.43	5,17,309.31	12,571.64	5,64,340.41
Total			16,88,694.33		17,31,564.46
II. ASSETS					
(1) Non-current assets					
Fixed assets	11				
(i) Tangible assets		22,074.28		21,433.99	
(ii) Intangible assets		99.16		282.84	
(iii) Capital work-in-progress		691.00	22,864.44	848.01	22,564.84
Goodwill on consolidation	12		714.83		7,416.24
Non-current investments	13		5,007.26		5,196.81
Long term loans and advances	14		8,573.36		9,739.03
(2) Current assets					
Current investments	15	1,471.49		2,547.66	
Inventories	16	12,46,785.03		12,04,298.43	
Trade receivables	17	38,139.55		80,612.21	
Cash and bank balances	18	22,670.66		19,725.72	
Short-term loans and advances	19	3,42,467.71	16,51,534.44	3,79,463.52	16,86,647.54
Total			16,88,694.33		17,31,564.46
Significant Accounting Policies (Accompanying notes are an intergral part of the financial statements)	1				

As per our report of even date attached

 For **THAR & CO.**
 Chartered Accountants
 Firm Registration No. 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

Waryam Singh
 Director

Raj Kumar Aggarwal
 Director

Lalit Mohan Mehta
 Director

Shyam Sunder Dawra
 Director

Darshan D. Majmudar
 Chief Financial officer &
 Company Secretary

 Place: Mumbai
 Date: May 23, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in lacs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Revenue:			
Revenue from operations	20	87,226.54	102,523.85
Other Income	21	8,137.87	3,998.82
Total Revenue		95,364.41	106,522.67
Expenses :			
Cost of material consumed	22	61,411.20	45,497.06
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(75,274.50)	(86,563.30)
Employee benefits expense	24	4,013.88	3,568.59
Finance costs	25	70,729.30	69,230.33
Depreciation and amortisation expense	11	7,857.47	8,453.97
Other expenses	26	8,610.52	12,729.34
Transfer to Investment		(889.78)	-
Total Expenses		76,458.09	52,915.99
Profit before exceptional items and tax		18,906.32	53,606.68
Exceptional Items		-	(44,198.45)
Profit before tax		18,906.32	9,408.23
Tax expense:			
Current tax		905.72	1,796.23
Deferred tax		231.68	255.47
		1,137.40	2,051.70
Profit after tax		17,768.92	7,356.53
Less : Minority Interest		12.41	(4.67)
Less : Share of loss of Associates		-	28.99
Profit for the year		17,756.51	7,332.21
Earnings per equity share of ₹ 10/-	27		
(1) Basic		4.21	1.75
(2) Diluted		4.21	1.75
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 No. 110958W

Jayesh R. Thar
 (Partner)
 Membership No. 032917

 Place: Mumbai
 Date: May 23, 2014

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan
 Executive Chairman

Sarang Wadhawan
 Vice Chairman &
 Managing Director

Ashok Kumar Gupta
 Director

Waryam Singh
 Director

Raj Kumar Aggarwal
 Director

Lalit Mohan Mehta
 Director

Shyam Sunder Dawra
 Director

Darshan D. Majmudar
 Chief Financial officer &
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars	(₹ in Lacs)	
	31st March, 2014	31st March, 2013
A Cash flow from operating activities		
Net profit before tax	18,906.32	9,408.23
Adjustments for :		
(1) Depreciation and amortisation expense	7,857.47	8,453.97
(2) Interest expenses	70,729.30	69,230.33
(3) Profit on sale of fixed assets	(0.19)	(0.12)
(4) Interest received	(3,522.81)	(3,695.29)
(5) Dividend received	(14.73)	(14.72)
(6) Loss/(profit) on sale of investments	(4,455.00)	82.99
(7) Fixed asset discarded	-	19.16
(8) Loss on sale of fixed assets	5.28	10.79
Operating profit before working capital changes	89,505.64	83,495.34
Movements in working capital :		
Decrease / (Increase) in inventory	(42,486.59)	(37,127.49)
Decrease / (Increase) in trade receivable	42,472.65	6,246.09
Decrease / (Increase) in other receivables	38,161.47	15,682.32
(Decrease) / Increase in trade and other payables	(11,783.18)	11,171.14
Net movement in working capital	26,364.35	(4,027.94)
Cash generated from operations	1,15,869.99	79,467.40
Less : Direct taxes paid (net of refunds)	(742.42)	7,385.57
Net cash from operating activities	1,16,612.41	72,081.83
B Cash flows from investing activities		
(1) (Increase) / Decrease in capital work in progress	(2,226.06)	(161.75)
(2) (Increase) / Decrease in investments (net)	6,612.55	(2,051.85)
(3) Interest received	3,522.81	3,695.29
(4) Dividend received	14.73	14.72
(5) Purchase of fixed assets	(127.85)	(105.58)
(6) Sale of fixed assets	3.39	11.63
Net cash from investing activities	7,799.57	1,402.46
C Cash flows from financing activities		
(1) Proceeds from borrowings	77,974.65	19,840.01
(2) Repayment of borrowings	(1,28,712.39)	(27,592.60)
(3) Increase in share capital from minority shareholders	-	19.60
(4) Share issue expenses	-	(10.50)
(5) Interest paid	(70,729.30)	(69,230.33)
Net cash used in financing activities	(1,21,467.04)	(76,973.82)
Net increase in cash and cash equivalents (A + B + C)	2,944.94	(3,489.53)
Cash and cash equivalents at the beginning of the year	19,725.72	23,215.25
Cash and cash equivalents at the end of the year	22,670.66	19,725.72
Components of cash and cash equivalents as at	31st March,	31st March,
	2014	2013
Cash on hand	1,203.08	244.10
With banks - on current account	1,131.42	810.14
- on escrow account	20.26	4.86
- on deposit account *	20,315.90	18,666.62
Total	22,670.66	19,725.72

* includes fixed deposits of ₹ 1,119.25 lacs (previous year ₹ 646.70 lacs) pledged with bank as security for bank guarantees, ₹ 6,427 lacs/- (previous year ₹ 6,427 lacs) with bank for Debt Service Reserve, ₹ 10,744.19 lacs (previous year ₹ 9,842.50 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 **THAR & CO.**
Chartered Accountants
Firm Registration No. 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

Waryam Singh
Director

Raj Kumar Aggarwal
Director

Lalit Mohan Mehta
Director

Shyam Sunder Dawra
Director

Darshan D. Majmudar
Chief Financial officer &
Company Secretary

Place: Mumbai
Date: May 23, 2014

NOTES ON FINANCIAL STATEMENTS

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	100.00%
HDIL Entertainment Private Limited	100.00%
Blue Star Realtors Private Limited	100.00%
Excel Arcade Private Limited	100.00%
Mazda Estates Private Limited	100.00%
Guru Ashish Construction Private Limited	100.00%
Ravijyot Finance & Leasing Private Limited	60.00%
BKC Developers Private Limited	98.50%
HC Infracity Private Limited	75.00%
Lashkaria Construction Private Limited	69.00%

The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The consolidated financial statements have been prepared to comply in all material respects with Accounting Standard (AS) 21- 'Consolidated Financial Statements' and other applicable accounting standards as applicable, notified by the Companies Accounting Standards Rules, 2006 to reflect the financial position and the results of operations of the Group.

The financial statements of the subsidiary are drawn upto the same reporting date as that of the Company i.e. 31st March, 2014. The consolidated financial statements of the Group have been prepared based on line-by-line consolidation of the Balance Sheet, Statement of Profit and Loss and Cash Flows of the Company and its subsidiaries. Inter-Company balances and Intra-Company transactions and resulting unrealised profits have been eliminated on consolidation.

All the assets and liabilities have been classified as current or non current as per the normal operating cycle of the Group and other criteria set out in Schedule VI to the Companies Act, 1956. 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 accounting policies have been consistently applied by the Group and are consistent with those used in previous year.

- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- 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 venture. 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:-

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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

NOTES ON FINANCIAL STATEMENTS

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.

- (f) 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 an annual 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.

		(₹ in lacs)	
Particulars		As at 31st March, 2014	As at 31st March, 2013
2. SHARE CAPITAL			
Authorised			
50,00,00,000 (previous year 50,00,00,000) Equity Share of ₹ 10/- each		50,000.00	50,000.00
Issued, Subscribed and Paid-up			
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
Total		41,900.40	41,900.40
The aggregate number of bonus shares issued in the last five years immediately preceding the Balance Sheet date is 6,12,20,595 equity shares.			
Reconciliation of the number of shares outstanding :			
Equity Shares		Number	Number
Shares outstanding at the beginning of the year		41,90,03,986	41,90,03,986
Shares outstanding at the end of the year		41,90,03,986	41,90,03,986
Terms/rights attached to shares :			
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.			
Shares in the Company held by each shareholder holding more than 5 percent :			
Equity Shares		As at 31st March, 2014	As at 31st March, 2013
Rakesh Kumar Wadhawan	Number	7,60,47,661	7,60,47,661
	%	18.15%	18.15%
Orbis SICAV - Asia Ex- Japan Equity Fund	Number	3,29,90,632	3,29,90,632
	%	7.87%	7.87%
Platinum Investment Management Limited A/C Platinumasia Fund	Number	2,75,68,771	3,30,62,524
	%	6.58%	7.89%

NOTES ON FINANCIAL STATEMENTS

Particulars	(₹ in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
3. RESERVE AND SURPLUS		
Capital Reserve		
Opening Balance	6.00	6.00
Closing Balance	6.00	6.00
Capital Redemption Reserve		
Opening Balance	62.07	62.07
Closing Balance	62.07	62.07
Securities Premium Account		
Opening Balance	4,91,132.98	4,91,143.48
Less : Share issue expenses written off	-	10.50
Closing Balance	4,91,132.98	4,91,132.98
Debenture Redemption Reserve		
Opening Balance	87,999.60	155,920.00
Add : Transferred from Statement of Profit and Loss	24,400.00	14,472.90
Less : Transferred to General Reserve	38,294.77	82,393.30
Closing Balance	74,104.83	87,999.60
Share Warrants Forfeiture Account		
Opening Balance	15,219.97	15,219.97
Less : Transfer to General Reserve	15,219.97	-
Closing Balance	-	15,219.97
General Reserve		
Opening Balance	4,29,513.18	3,47,119.88
Add : Transferred from Share Warrants Forfeiture Account	15,219.97	-
Add : Transferred from Debenture Redemption Reserve	38,294.77	82,393.30
Closing Balance	4,83,027.92	4,29,513.18
Surplus in the Statement of Profit and Loss		
Opening Balance	(27,562.36)	(20,404.56)
Add : Excess provision for taxation no longer required	14.95	5.36
Less: Short provision for tax of earlier years	140.18	22.55
Add : Net Profit for the current year	17,756.51	7,332.21
Less : Loss of minority adjusted against majority interest	0.05	(0.08)
Adjustments for associates	2.05	-
Less : Transferred to Debenture Redemption Reserve	24,400.00	14,472.90
Closing Balance	(34,329.08)	(27,562.36)
Total	10,14,004.72	9,96,371.44
4. LONG TERM BORROWINGS		
Secured Long Term Borrowings :		
16,742 (previous year 18,942) Redeemable Non Convertible Debentures of ₹ 10 lacs each (Refer Note No : 4 (I) ,(II) and (IV)) *	32,124.09	75,027.10
Loans from Scheduled Banks (Refer Note No : 4 (III) and (IV))	80,284.19	50,000.00
Unsecured Long Term Borrowings		
Loans and advances from related parties	303.57	1,402.50
Total	1,12,711.85	1,26,429.60
*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.		

NOTES ON FINANCIAL STATEMENTS

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

I) Secured Redeemable Non-Convertible Debentures : -

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

14,475 (previous year 23,000) 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 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 3rd, 4th and 6th 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 5th 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) Yea 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% (previous year 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.

IV) All the above debentures and loans from schedule banks have been personally guaranteed by Executive Chairman and 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:

(₹ in lacs)

Rate of Interest	Maturity Profile						
	Apr 2015- Mar 16	Apr 2016- Mar 17	Apr 2017- Mar 18	Apr 2018- Mar 19	Apr 2019- Mar 20	Apr 2020- Mar 21	TOTAL
12.00%	8,085.83	3,145.40	-	-	-	-	11,231.23
13.25%	1,200.00	3,384.38	4,773.21	4,773.21	4,773.22	1,988.84	20,892.86
15.50%	-	-	5,962.75	14,906.88	17,888.25	20,869.63	59,627.51
17.75%	-	-	5,164.17	5,164.17	5,164.17	5,164.17	20,656.68
Total	9,285.83	6,529.78	15,900.13	24,844.26	27,825.64	28,022.64	1,12,408.28

NOTES ON FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
5. DEFFERED TAX LIABILITIES (NET)		
Arising on account of timing differences		
Liabilities		
Related to fixed assets	2,050.47	1,748.86
	2,050.47	1,748.86
Assets		
Bonus payable	53.30	46.30
Provision for gratuity	39.30	21.53
Provision for encashment of leave	61.82	17.04
Preliminary expenses written off	0.12	0.12
Unabsorbed depreciation	2.84	2.46
	157.38	87.45
Total	1,893.09	1,661.41
6. LONG TERM PROVISIONS		
Provision for employee benefits :		
Leave Encashment	136.75	135.44
Total	136.75	135.44
7. SHORT TERM BORROWINGS		
Secured Short Term Borrowings :		
Loans repayable on demand (For securities and other terms and conditions, refer Note 7- I)	10,732.79	9,842.50
Term Loans from Scheduled Banks (For securities and other terms and conditions, refer Note 7- II)	93,534.65	108,809.82
Term loans from Financial Institutions (For securities and other terms and conditions, refer Note 7- III)	60,061.89	68,760.69
Unsecured Loan :		
Other loans and advances	-	40.00
Total	1,64,329.33	1,87,453.01

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 9% for ₹63.65 lacs and 10.75% for ₹ 10,669.14 lacs. (previous year 10% for ₹ 69.12 lacs, 10.75% for ₹ 9,712.53 lacs and 11% for ₹ 60.85 lacs).

II) Loans from Scheduled Banks
a) Central Bank of India :-

- 1) Secured by registered mortgage of immovable properties admeasuring 40,468.56 Sq. mtrs. situated at CTS No. 637A, Premier Road, Village Kurla, Mumbai. Rate of interest base rate + 5% p.a. payable monthly. 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.
- 2) Secured by future rent receivable in favour of bank and further secured by registered mortgage of immovable property admeasuring 2,915.68 Sq. mtrs. comprising six screen Multiplex situated at a part portion of the 2nd floor, Commercial Building no. 2, Dreams Mall, on land bearing CTS Nos. 642, 642/1 to 642/29, CTS no.654 of Village Kanjur and CTS 426 of Village Bhandup, Mumbai suburban district. Rate of interest base rate + 5% p.a. payable monthly. Repayable in 33 monthly installments of ₹ 72.60 lacs each (Principal and Interest) commencing from December, 2013.

NOTES ON FINANCIAL STATEMENTS

b) Punjab and Sind Bank :-

Secured by exclusive charge on B & D Wings out of A, B, C & D wings, equivalent to 62,755.48 Sq. mtrs. of area of the building named as Majestic Tower, at Village Nahur, Mumbai, on the Plot of CTS 300/ A-1 and 1021/B of Village Bhandup and CTS No. 771 of Village Nahur, Mumbai. Rate of Interest base rate + 5% p.a. payable monthly. Repayable in 36 monthly installments of ₹ 347.22 lacs each commencing from September 2012.

c) The Jammu and Kashmir Bank :-

i) Term loan - I - Interest rate is base rate + 3.50% p.a. payable monthly and repayable in 12 quarterly installments of ₹ 834.00 lacs each commencing from September 2014.

ii) Term Loan - II - Secured by 1st Charge on the cash flows, receivables and project agreements/project escrow account and project DSRA account of the free sale area, and 1st charge by way of mortgage of development right. Interest rate is base rate + 3.00% p.a. payable monthly and repayable in 20 quarterly installments of ₹ 750.00 lacs each commencing from September 2016.

Both the 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.

d) Oriental Bank of Commerce :-

Secured by exclusive charge on A & C Wings out of A, B, C & D wings, equivalent to 62,755.48 Sq. mtrs. of area of the building named as Majestic Tower, at Nahur, Mumbai, on the Plot of CTS 300/ A-1 and 1021/B of Village Bhandup and CTS No. 771 of Village Nahur, Mumbai. Rate of Interest base rate + 5.50% p.a. payable monthly. Repayable in 36 monthly installments of ₹ 347.22 lacs each commencing from August 2012.

e) 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. Rate of Interest base rate + 5% payable monthly. Repayable in 12 equal quarterly installments of ₹ 1,250.00 lacs each commencing from June 2014.

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. Rate of interest is base rate + 5% payable monthly. Repayable within 12 equal quarterly installments of ₹ 625.00 lacs each commencing from December 2013.

f) 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. Rate of Interest base rate + 3% payable monthly. Repayable in 12 equal quarterly installments ₹ 834.00 lacs each commencing from February 2015.

g) Punjab National Bank :-

i) The Term loan of ₹ 20,000.00 lacs is repaid fully during the year.

ii) The Term loan of ₹ 25,000.00 lacs is repaid fully during the year.

h) UCO Bank :-

The Term loan of ₹ 25,000.00 lacs is repaid fully during the year.

NOTES ON FINANCIAL STATEMENTS

i) Union Bank of India :

Secured by registered mortgage of immovable property 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, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a subsidiary of the holding Company. Rate of interest 14.50% payable monthly. Repayable in 20 quarterly installments of ₹ 932 lacs each.

III) Term Loans from Financial Institution :-

a) IL & FS - PMDO:-

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

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.

- iii) 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. Rate of interest of 20.00% p.a. (previous year 17.50 % p.a.) payable quarterly, repayable on 30th April 2014 as bullet repayment.

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 3rd, 4th and 6th floors of commercial building area admeasuring 18,194.54 Sq. mtrs. situated at HDIL Towers, Bandra (East), Mumbai. Rate of interest is 13% p.a. payable monthly. Repayable in 12 quarterly installments of ₹ 1,688.15 lacs each commencing from September, 2016.
- 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 Executive Chairman and Vice Chairman and Managing Director of the Company.

NOTES ON FINANCIAL STATEMENTS

(₹ in lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
8. TRADE PAYABLES		
Trade Payables		
- Micro, Small and Medium Enterprises	-	-
- Others	44,085.38	48,856.51
Total	44,085.38	48,856.51
Micro, Small and Medium Enterprises		
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 year.	-	-
9. OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts :		
i) Redeemable Non-Convertible Debentures (For securities and other terms and conditions, refer Note 4- I, II, IV & V)	74,104.83	87,999.60
ii) Loans from Scheduled Banks (For securities and other terms and conditions, refer Note 4- III & IV)	-	1.54
b) Interest accrued but not due on loans	3,321.67	4,788.09
c) Interest accrued and due on loans	15,471.13	10,775.15
d) Advances from customers *	1,46,541.54	1,70,523.20
e) Unpaid dividend	10.49	10.58
f) Share application money refundable	9.07	9.07
g) Other payables :		
i) Creditors for fixed assets	131.20	18.28
ii) Due to employees	590.38	412.18
iii) Statutory dues	3,194.36	7,802.51
iv) Security deposit received	5,198.19	10,140.90
v) Others	45,921.31	22,978.15
Total	2,94,494.17	3,15,459.25
* includes ₹ 193.35 lacs (previous year ₹ 186.82 lacs) received from Director of the subsidiary Company of the Company		
10. SHORT TERM PROVISIONS		
Provision for employee benefits :		
Gratuity	119.01	69.25
Leave Encashment	49.43	43.78
Sub-Total	168.44	113.03
Other Provisions :		
Provision for taxation	43,288.36	50,416.28
Less : Tax Paid	29,056.37	37,957.67
Sub-Total	14,231.99	12,458.61
Total	14,400.43	12,571.64

NOTES ON FINANCIAL STATEMENTS

11. FIXED ASSETS

(₹ in lacs)

Description	COST				DEPRECIATION				NET BLOCK	
	As at 1st April, 2013	Additions for the year	Sale / adjustments for year	As at 31st March, 2014	Up to 31st March, 2013	For the year	On sale or adjustments	Up to 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Own assets :										
Tangible assets :										
Leasehold Land	1,850.81	-	-	1,850.81	98.45	26.25	-	124.70	1,726.11	1,752.36
Freehold Land	693.28	-	-	693.28	-	-	-	-	693.28	693.28
Buildings	15,186.61	1,493.29	-	16,679.90	1,306.88	354.18	-	1,661.06	15,018.84	13,879.73
Plant and Machinery	2,475.84	46.32	-	2,522.16	402.77	157.31	-	560.08	1,962.08	2,073.07
Furniture and Fixtures	2,248.58	12.87	-	2,261.45	560.54	214.15	-	774.69	1,486.76	1,688.04
Vehicles	1,167.04	0.39	45.42	1,122.01	486.80	105.96	42.27	550.49	571.52	680.24
Office Equipments	502.20	51.01	0.53	552.68	114.33	26.77	0.35	140.75	411.93	387.87
Computers	530.50	4.40	-	534.90	251.10	80.04	-	331.14	203.76	279.40
Total (A)	24,654.86	1,608.28	45.95	26,217.19	3,220.87	964.66	42.62	4,142.91	22,074.28	21,433.99
Intangible Assets										
Softwares	770.98	7.71	-	778.69	553.31	191.16	-	744.47	34.22	217.67
Logos and trademarks	1.80	-	-	1.80	0.92	0.18	-	1.10	0.70	0.88
Website Development	0.55	-	-	0.55	0.26	0.05	-	0.31	0.24	0.29
Others (Film Cost Rights) *	64.00	-	-	64.00	-	-	-	-	64.00	64.00
Total (B)	837.33	7.71	-	845.04	554.49	191.39	-	745.88	99.16	282.84
Total (A + B)	25,492.19	1,615.99	45.95	27,062.23	3,775.36	1,156.05	42.62	4,888.79	22,173.44	21,716.83
Previous year	25,478.89	105.56	92.26	25,492.19	2,584.57	1,241.60	50.81	3,775.36	21,716.83	22,894.33
Capital Work- in-Progress									691.00	848.01

* Cost of film distribution rights acquired will be amortized from the date of release of the respective movie.

(₹ in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
12. GOODWILL		
Balance as per last balance sheet	7,416.24	14,628.61
Less: Impairment during the year	6,701.41	7,212.37
Total	714.83	7,416.24
13. NON CURRENT INVESTMENTS		
Investments (At Cost) (Non Trade) (Long Term)		
Investment in immovable property		
Investment in property at HDIL Towers	2,976.88	2,976.88
Investment in property - Flats at Virar	13.06	13.06
Investment in property - Pali Arcade	313.72	313.72
	3,303.66	3,303.66
Other than trade (Unquoted Shares)		
Punjab & Maharashtra Co-op. Bank Limited		
4,90,040 (previous year 4,90,040) Equity Shares of ₹ 25/- each fully paid-up	122.51	122.51
Dreams The Mall Company Limited		
1,08,957 (previous year Nil) Equity Shares of ₹ 10/- each fully paid-up	10.90	-
	133.41	122.51

NOTES ON FINANCIAL STATEMENTS

(₹ in lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
In Associates Company (Unquoted Shares)		
HDIL Leisures Private Limited		
Nil (previous year 20,25,000) Equity Shares of ₹ 10/- each fully paid-up	-	202.50
Less : Proportionate share of post acquisition loss	-	2.05
	-	200.45
In Mutual Funds		
Union KBC Mutual Fund		
2,50,000 (previous year 2,50,000) units of Union KBC Capital Protection Oriented Fund ₹ 10/- each fully paid up (NAV 31st March, 2014 ₹ 27.71 lacs (previous year ₹ 25.35 lacs.))	25.00	25.00
	25.00	25.00
Other corporate (Unquoted)		
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
	1,545.19	1,545.19
Total	5,007.26	5,196.81
In the opinion of the management, the value of the above non-current investments is not less than as stated, if realised in the ordinary course of business.		
14. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Capital Advances (Refer Note No. - 14.01)	259.28	171.36
b) Security Deposits	263.04	1,629.53
c) Others		
Land purchase/tenancy/claims/development rights	4,050.00	4,102.50
Goods and services	29.97	27.17
Tax paid in advance	91.54	-
Income tax refund receivable	161.76	437.56
Prepaid expenses	777.63	430.77
Other receivable	2,940.14	2,940.14
Total	8,573.36	9,739.03
14.01 As the agreement is not executed the details of estimated amount of contract remaining to be executed on capital account and not provided for, could not be ascertained.		
In the opinion of the management, the value of the above long term loans and advances is not less than as stated, if realised in the ordinary course of business.		
15. CURRENT INVESTMENT		
Current Investments (at lower of cost or market value)		
In joint ventures		
Fine Developers (Fixed Capital ₹ Nil)	1.58	1,547.66
(Share of profit - 90%, other partner and share of profit is Sapphire Land Development Private Limited - 10%)		
Heritage Housing Development Corporation (Fixed Capital ₹ Nil)	676.63	1,000.00
(Share of profit - 60%, other partner and share of profit is Pioneer India Developers Private Limited - 40%.)		

NOTES ON FINANCIAL STATEMENTS

(₹ in lacs)		
Particulars	As at 31st March, 2014	As at 31st March, 2013
Lashkaria Housing and Infrastructure Private Limited (Share of profit- 10%)	793.28	-
Total	1,471.49	2,547.66
In the opinion of the management, the value of the above current investments is not less than as stated, if realised in the ordinary course of business.		
16. INVENTORIES		
Raw materials (lower of cost or net realisable value)	3.88	4.87
Work-in-progress (lower of cost or net realisable value)	12,21,374.85	11,84,697.41
Stock-In-Trade (lower of cost or net realisable value)	24.54	17.92
Finished goods (lower of cost or net realisable value)	25,365.26	19,572.26
Others (lower of cost or net realisable value)	16.50	5.97
Total	12,46,785.03	12,04,298.43
In the opinion of the management, the value of the above inventories is not less than as stated, if realised in the ordinary course of business.		
17. TRADE RECEIVABLES		
Exceeding six months		
Unsecured, Considered good	27,786.81	61,674.33
Other		
Unsecured, Considered good	10,352.74	18,937.88
Total	38,139.55	80,612.21
In the opinion of the management, the value of the above trade receivables is not less than as stated, if realised in the ordinary course of business.		
18. CASH AND BANK BALANCES		
a) Cash and Cash Equivalents		
i) Cash on hand	1,203.08	244.10
ii) Balance with banks		
In current accounts	1,105.41	783.87
b) Other bank balances		
i) In Deposit with more than 3 months maturity *	20,315.90	18,666.62
ii) Current Account balance with banks in unpaid dividend and share application money account	26.01	26.27
iii) Current Account balances in escrow account	20.26	4.86
Total	22,670.66	19,725.72
* includes fixed deposits of ₹ 1,119.25 lacs (previous year ₹ 646.70 lacs) pledged with bank as security for bank guarantees, ₹ 6,427 lacs (previous year ₹ 6,427 lacs) with bank for Debt Service Reserve, ₹ 10,744.19 lacs (previous year ₹ 9,842.50 lacs) pledged with bank as security for bank overdraft.		
19. SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Loans and advances to related parties		
Loan to associates	-	16,876.73
Other receivable/loans to Related Parties (To a partnership firm, in which Directors of one of the Subsidiary Company are partners)	296.98	375.10

NOTES ON FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
b) Others		
Security Deposits	2,538.15	2,515.38
Advance to suppliers	73,604.19	61,912.50
Advances for land purchase/tenancy/claims/development rights	260,050.29	293,148.29
Loans to employees	31.45	45.77
Prepaid expenses	66.09	136.68
Interest accrued on fixed deposits	508.88	399.45
Cenvat Credit	654.45	158.92
Other receivable	4,717.23	3,894.70
Total	3,42,467.71	3,79,463.52

In the opinion of the management, the value of the 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 31st March, 2014	Year ended 31st March, 2013
20. REVENUE FROM OPERATION		
a) Sale of Product		
i) Sale of commercial and residential units	65,202.85	1,289.06
ii) Sale of development rights/FSI/Land/TDR	15,330.79	95,414.81
iii) Sale of foods and beverages	822.51	789.61
b) Sale of Services	2,937.36	3,786.31
Total income from operations	84,293.51	101,279.79
c) Other operating income		
i) Lease rental	1,048.63	1,173.06
ii) Others	1,884.40	71.00
Total Other operating income	2,933.03	1,244.06
Total	87,226.54	102,523.85
21. OTHER INCOME		
Interest received	3,522.81	3,695.28
Dividend received (From Co-operative Bank)	14.73	14.72
Entertainment tax refund	-	273.66
Foreign exchange variation	4.03	1.25
Maintenance charges	64.45	-
Income from sale of investments	4,455.00	-
Income from sale of fixed assets	0.19	0.12
Miscellaneous income	76.66	13.79
Total	8,137.87	3,998.82
22. COST OF MATERIAL CONSUMED		
Tenancy/claims/FSI/development rights	6,286.22	12,432.30
Consumption of materials	54,841.16	32,797.26
Box office purchase and operating expenses	283.82	267.50
Total	61,411.20	45,497.06

NOTES ON FINANCIAL STATEMENTS

Particulars	(₹ in lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening finished goods/stock-in-trade	19,596.15	23,604.00
Opening work-in-progress	11,84,697.41	11,43,566.45
Less: Adjustment during year*	32,786.91	49,440.19
Total	11,71,506.65	11,17,730.26
Closing finished goods/stock-in-trade	25,406.30	19,596.15
Closing Work-in-progress	12,21,374.85	11,84,697.41
Total	12,46,781.15	12,04,293.56
Total	(75,274.50)	(86,563.30)
* Work-in-progress is adjusted towards removal of defective works. However the same has no impact on current year profits.		
24. EMPLOYEE BENEFITS EXPENSE		
a) Salaries and incentives	3,657.12	3,242.13
b) Contributions to Provident and other fund	290.27	256.48
c) Staff welfare expenses	66.49	69.98
Total	4,013.88	3,568.59
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 Life Insurance Corporation for the benefit of employees.		
A) Gratuity Plan :-		
Defined Benefit Plan		
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.		
i) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:		
Obligation at beginning of year	347.18	308.20
Interest cost	31.57	25.35
Current service cost	53.43	49.51
Benefits paid	(41.38)	(19.88)
Benefits payable	(10.95)	-
Actuarial (gain) / loss on defined benefit obligation	(6.99)	(16.00)
Obligation at year end	372.86	347.18
ii) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
Opening fair value of plan assets	277.95	273.44
Expected return	24.91	23.83
Actuarial gains and (losses)	(0.90)	(1.87)
Adjustment to opening fund	(5.38)	-
Contribution by employer	0.03	2.43
Benefits paid	(41.08)	(19.88)
Closing fair value of plan assets	255.53	277.95
iii) Amounts to be recognised in the Balance Sheet		
Projected benefit obligation, at the end of the year	372.86	347.18
Fair value of plan assets at end of the year	255.53	277.95
Net asset / (liability) recognised in the Balance Sheet	117.33	69.23

NOTES ON FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
iv) Gratuity cost for the year		
Current service cost	53.43	49.51
Adjustment to opening fund	5.38	-
Interest cost on obligation	31.57	25.35
Expected return on plan assets	(24.91)	(23.83)
Net actuarial (gain) / loss	(6.09)	(14.13)
Reversal of benefits payable in previous period	(7.10)	-
Expense recognised in the Statement of Profit and Loss	52.28	36.90
B) Leave encashment liability :-		
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.		
a) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:		
Obligation at beginning of year	179.22	182.31
Interest cost	17.15	15.50
Current service cost	33.17	30.75
Benefits paid	-	-
Actuarial (gain) / loss on defined benefit obligation	(43.36)	(49.34)
Obligation at year end	186.18	179.22
b) Amounts to be recognised in the Balance Sheet		
Present value of Defined benefit obligation as on	186.18	179.22
Fair value of plan assets as on	-	-
Liability recognised in Balance Sheet	186.18	179.22
c) Leave Encashment cost for the year		
Current service cost	33.17	30.75
Interest cost on obligation	17.15	15.50
Expected return on plan assets	-	-
Net actuarial (gain) / loss	(43.36)	(49.34)
Expense recognised in the Statement of Profit and Loss	6.96	(3.09)
C) Valuation Assumptions		
Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.		
i) Discount Rate	9.10%	8.20%
ii) Salary Growth	7.00%	7.00%
iii) Expected rate of return		
- Gratuity	9.00%	9.00%
- Leave encashment	NA	NA
iv) Mortality	: Indian Assured Lives Mortality (2006-08) Ult. (P.Y.- LIC (1994-96) published table of mortality rate)	
v) Withdrawals	: 5% at younger ages reducing to 1% to older ages	
vi) Retirement age	: 60 years	
vii) Leave Consumption Factors	: 10% at younger ages tapering to 2% at older ages	

NOTES ON FINANCIAL STATEMENTS

	(₹ in lacs)	
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
25. FINANCE COST		
a) Interest expenses :		
i) Project specific interest expenses	59,465.94	57,021.85
ii) Other interest	11,255.40	9,164.76
b) Other finance cost		
i) Project specific (loan processing charges)	0.11	3,043.72
ii) Other	7.85	-
Total	70,729.30	69,230.33
26. OTHER EXPENSES		
Advertisement and sales promotion expenses	1,053.85	687.47
Commission and brokerage	31.00	1,194.88
Electricity charges	1,463.57	1,741.02
Insurance charges	39.55	69.43
Bank Charges	41.97	53.54
Other expenses	242.25	287.17
Loss on sale of investments	-	82.99
Loss on sale of fixed assets	5.28	10.79
Fixed asset discarded	-	19.16
Membership and subscription	17.48	15.95
Printing and stationery	99.07	112.91
Security charges	216.69	772.02
Professional fees	1,459.49	2,193.21
Rent paid	181.74	441.58
Rates and taxes	1,082.06	1,697.15
Repairs and maintenance to buildings	7.10	58.96
Repairs and maintenance to machineries	98.53	84.73
Repairs and maintenance to other assets	273.60	432.87
Stamping and registration	201.77	157.65
Film share and other expenses	1,014.85	1,052.75
Business conducting fees	111.71	124.58
Outsourced personnel cost	237.23	241.81
Event management fees	0.08	12.33
Communication expenses	137.40	121.02
Postages and telegram expenses	11.20	6.86
Travelling and conveyance expenses	182.42	326.91
Maintenance expenses	51.01	511.26
Remuneration to auditors (Refer Note No. 26.01)	140.41	147.26
Directors remuneration and sitting fees (Refer Note No. 26.02)	207.60	58.60
Donations	1.00	5.40
Filing fees paid to the Registrar of Companies	0.61	6.83
Pre-operative expenses	-	0.25
Total	8,610.52	12,729.34
Above expenses includes Project related expenses	3,977.53	9,137.13

NOTES ON FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
26.01. Remuneration to Auditors		
a. Audit fees	66.40	69.49
b. Taxation matters	29.78	32.31
c. Management consultancy	20.00	21.03
d. Other services	24.23	24.43
Total	140.41	147.26
26.02. Managerial Remuneration		
a) Remuneration to Directors	-	-
b) Commission to Non-Executive Directors	200.00	50.00
c) Sitting fees	7.60	8.60
Total	207.60	58.60
27. EARNINGS PER EQUITY SHARE HAS BEEN COMPUTED AS UNDER:		
a) Net profit after tax as per Statement of Profit and Loss	17,756.51	7,332.21
Add: Excess provision for tax of earlier years	14.95	5.36
Less: Short provision for tax of earlier years	140.18	22.55
Adjustment for associates	2.05	-
Less : Loss of minority adjusted against majority interest	0.05	(0.08)
Net Profit attributable to Equity Shareholders	17,633.28	7,315.10
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	4.21	1.75
d) Diluted Earnings per share	4.21	1.75
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:

Subsidiaries

1. Privilege Power and Infrastructure Private Limited
2. HDIL Entertainment Private Limited
3. Blue Star Realtors Private Limited
4. Ravijyot Finance and Leasing Private Limited
5. Excel Arcade Private Limited
6. Mazda Estates Private Limited
7. Guruashish Construction Private Limited
8. BKC Developers Private Limited
9. Lashkaria Construction Private Limited
10. HC Infracity Private Limited

Associates

1. HDIL Leisures Private Limited (upto 11/03/2014)
2. PRG Projects Private Limited
3. Lashkaria Housing and Infrastructure Private Limited

NOTES ON FINANCIAL STATEMENTS

Enterprise significantly influenced by key management personnel

1. Privilege Airways Private Limited
2. Privilege Industries Limited
3. Ravi Developments - Partnership firm
4. Satyam Property Developers
5. Shabnam Associates
6. Global Construction
7. Perfect Construction

Joint Venture

1. Fine Developers
2. Heritage Housing Development Corporation

Key management personnel

Name	Designation
1. Shri Rakesh Kumar Wadhawan	Executive Chairman
2. Shri Sarang Wadhawan	Vice Chairman & Managing Director
3. Shri K. P. Devassy	Chief Financial Officer (Up to 13/02/2014) and Group Chief Financial Officer (w.e.f. 14/02/2014)
4. Shri Darshan D. Majmudar	Vice President - Company Secretary and Legal (Up to 13/02/2014) and Chief Financial Officer and Company Secretary (w.e.f. 14/02/2014)
5. Smt. Romy Mehra	Director (HC Infracity Private Limited)
6. Shri Aslam Y. Lashkaria	Director (Lashkaria Construction Private Limited)
7. Shri Hasam Lashkaria	Director (Lashkaria Construction Private Limited)
8. Shri Virendra Vora	Director (Excel Arcade Private Limited)
9. Shri Mukesh Gupta	Chief Executive Officer (HDIL Entertainment Private Limited)

B. Transactions with related party

(₹ in lacs)

Nature of transaction	31st March, 2014				31st March, 2013			
	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
Loans/advances paid	140.00	879.21	-	1,019.21	-	1,545.53	-	1,545.53
Loans/advances received	78.12	18,790.32	-	18,868.44	107.84	-	-	107.84
Advance from customers	-	14.53	-	14.53	-	236.82	-	236.82
Allotment of equity shares	-	-	-	-	-	249.75	-	249.75
Investment in firm	-	(979.67)	-	(979.67)	-	2,047.66	-	2,047.66
Interest income	-	1,604.46	-	1,604.46	-	1,797.80	-	1,797.80
Lease rent income	-	-	-	-	2.40	-	-	2.40
Directors remuneration	-	-	54.00	54.00	-	-	40.50	40.50
Salary paid	-	-	160.90	160.90	-	-	133.99	133.99
Travelling expenses	-	-	-	-	9.38	-	-	9.38
Outstanding as at year end- Due from	819.10	975.19	-	1,794.29	403.12	19,424.39	-	19,827.51
Outstanding as at year end- Due to	850.94	251.35	53.03	1,155.32	1,090.94	236.82	952.25	2,280.01

NOTES ON FINANCIAL STATEMENTS

	(₹ in lacs)	
Particulars	31st March, 2014	31st March, 2013
C. Disclosure in respect of material transactions with related parties during the year (included in 'B' above)		
Loans/advances paid		
HDIL Leisures Private Limited	-	1,545.53
Romy Mehra	879.21	-
PRG Projects Private Limited	100.00	-
Perfect Construction	40.00	-
Loans/advances received		
Perfect Construction	-	40.00
HDIL Leisures Private Limited	18,790.32	-
Ravi Developments	78.12	67.84
Advances from customers		
Shri Virendra Vora	6.53	186.82
Smt. Vibha Vora	8.00	50.00
Allotment of equity shares		
PRG Projects Private Limited	-	249.75
Investment in partnership firm, associates and joint venture		
Fine Developers	(1,546.08)	1,047.66
Heritage Housing Development Corporation	(323.37)	1,000.00
Lashkaria Housing and Infrastructure Private Limited	889.78	-
Travelling Expenses		
Privilege Airways Private Limited	-	9.38
Directors remuneration		
Mrs. Romy Mehra & Mr. Gautam Mehra	54.00	40.50
Salary paid		
Shri K P Devassy	55.72	50.00
Shri Darshan D. Majmudar	46.00	40.00
Shri Mukesh Gupta	59.19	43.99
Interest income		
HDIL Leisures Private Limited	1,604.46	1,797.80
Lease rent income		
Privilege Airways Private Limited	-	1.20
Privilege Industries Limited	-	1.20
Outstandings:		
Outstanding as at year end- Due from		
Privilege Airways Private Limited	-	1.20
Privilege Industries Limited	-	1.00
HDIL Leisures Private Limited	-	16,876.73
Fine Developers	1.58	1,547.66
Heritage Housing Development Corporation	676.63	1,000.00
Ravi Developments	296.98	375.10
Lashkaria Housing and Infrastructure Private Limited	793.28	-
Global Construction	10.00	10.00
Satyam Property Developers	1.32	1.32
Shabnam Associates	14.50	14.50
Outstanding as at year end- Due to		
Privilege Airways Private Limited	600.69	600.69
PRG Projects Private Limited	250.25	450.25
Mrs. Romy Mehra	53.03	952.25
Perfect Construction	-	40.00
Shri Virendra Vora	193.35	186.82
Smt. Vibha Vora	58.00	50.00

NOTES ON FINANCIAL STATEMENTS

		(₹ in lacs)	
Particulars	31st March, 2014	31st March, 2013	
29. CONTINGENT LIABILITIES NOT PROVIDED FOR			
a) (i) Claims against the Company not acknowledged as debts (represents suits filed by the parties in the Courts, and disputed by the Company)	50,056.00	23,077.61	
(ii) The Mumbai International Airport Limited has issued notice of termination dated 6th February, 2013 on the Company of their agreement for Mumbai International Airport Slum Rehabilitation Project. The Company has challenged the said notice of termination and have initiated legal proceedings as per advice of legal counsel. Subsequent to notice of termination of the agreement, the Company may be held liable to pay liquidated damages aggregating to ₹ 27,600.00 lacs.	-	27,600.00	
(iii) Income-tax demands disputed by the Company (net of amounts provided).	13,287.67	23,908.97	
b) Guarantees provided by the bank	646.70	646.70	
c) Corporate guarantee			
i) The Company has facilitated a vendor financing, setting up with IDBI Bank limit upto ₹ 5,000 lacs. The Company has extended its corporate guarantee to the bank.	5,000.00	5,000.00	
ii) The security has been created on Company's Leasehold Land and Building situated at Noida on behalf of relative of one of the Director	694.57	2,420.00	
30. COMMITMENT			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	170.87	323.97	
31. Previous year figures have been reclassified to conform to this year's classification.			

As per our report of even date attached

For **THAR & CO.**
 Chartered Accountants
 Firm Registration No. 110958W

Jayesh R. Thar
 (Partner)
 Membership No. 032917

Place: Mumbai
 Date: May 23, 2014

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan
 Executive Chairman

Ashok Kumar Gupta
 Director

Raj Kumar Aggarwal
 Director

Shyam Sunder Dawra
 Director

Sarang Wadhawan
 Vice Chairman &
 Managing Director

Waryam Singh
 Director

Lalit Mohan Mehta
 Director

Darshan D. Majmudar
 Chief Financial officer &
 Company Secretary

NOTES ON FINANCIAL STATEMENTS

The details of subsidiaries in terms of General Circular No. 2/2011 Dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 as under

Particulars	(₹ In Lacs)									
	Privilege Power and Infrastructure Private Limited	HDIL Entertainment Private Limited	Blue Star Realtors Private Limited	Excel Arcade Private Limited	BKC Developers Private Limited	Gurushish Constructions Private Limited	HC Infraction Private Limited	Mazda Estate Private Limited	Raviyot Finance & Leasing Private Limited	Lashkaria Construction Private Limited
Paid-up share capital	15,000.00	2,500.00	468.48	5.00	10.00	1,100.00	1,000.00	5.00	50.00	1,000.00
Reserves and surplus	18,413.02	2,405.94	289.28	(0.83)	(59.24)	51,047.66	44.14	(0.82)	(3.21)	478.91
Total assets	1,52,748.46	10,745.69	38,372.90	5,196.97	6,604.96	1,06,302.03	11,020.47	42.58	19,774.76	7,174.39
Total liabilities	1,52,748.46	10,745.69	38,372.90	5,196.97	6,604.96	1,06,302.03	11,020.47	42.58	19,774.76	7,174.39
Investments (excluding investments in subsidiaries)	39.25	26.50	25.00	0.01	-	25.00	-	-	-	2,337.28
Turnover (including other income)	1,143.33	3,773.62	3.00	-	0.04	3,011.75	3,462.99	-	-	7.59
Profit before tax	11.37	(31.05)	1.88	(0.42)	(0.33)	0.75	81.49	(0.25)	(2.22)	(6.47)
Provision for Current & Deferred tax	(1.83)	(44.86)	(0.60)	-	-	(0.23)	(27.32)	-	1.19	4.29
Profit after tax	9.54	(75.91)	1.28	(0.42)	(0.33)	0.52	54.17	(0.25)	(1.03)	(2.18)
Proposed dividend	-	-	-	-	-	-	-	-	-	-

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Ashok Kumar Gupta
Director

Waryam Singh
Director

Raj Kumar Aggarwal
Director

Lalit Mohan Mehta
Director

Shyam Sunder Dawra
Director

Darshan D. Majmudar
Chief Financial officer & Company Secretary

Place: Mumbai
Date: May 23, 2014



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

CIN No: L70100MH1996PLC101379

Registered Office: 9-01, HDIL Towers, Anant Kanekar Marg, Bandra (E), Mumbai – 400 051.
Telephone: +91 22 6788 9000, Fax: +91 22 6788 9090 Website: www.hdil.in / E-mail id: mayur.shah@hdil.in

PROXY FORM

Form No. MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Venue of Meeting: National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla
Complex, Bandra (East), Mumbai – 400 051.

Date & Time: September 30, 2014 at 11:00 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	

*Applicable for investors holding shares in Electronic form.

I/We _____ of _____ being a Member/Members of Housing Development and Infrastructure Limited hereby appoint the following as my/our Proxy to attend vote (for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on September 30, 2014 at 11:00 am. and at any adjournment thereof) in respect of such Resolutions as are indicated below;

1. Mr./Mrs. _____ (Name & Signature of the Proxy) or failing him/her
Registered Address _____
Email id _____ Signature _____
2. Mr./Mrs. _____ (Name & Signature of the Proxy) or failing him/her
Registered Address _____
Email id _____ Signature _____
3. Mr./Mrs. _____ (Name & Signature of the Proxy)
Address _____
Email id _____ Signature _____

**I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sr. No.	Resolution	Number of shares held	For	Against
Ordinary Business				
1	a) the Audited financial Statement comprising of statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet of the Company as on that date together with the Report of the Directors and the Auditors thereon and b) the Audited consolidated financial statement of the Company for the financial year ended March 31, 2014.			
2	Re-appointment of Mr. Waryam Singh, who retires by rotation			
3	Re-appointment of Mr. Ashok Kumar Gupta, who retires by rotation			
4	Re-appointment of Thar & Co., Chartered Accountants, as Auditors			
Special Business				
5	Re-appointment of Mr. Shyam Sunder Dawra as an Independent Director pursuant to the provisions of Companies Act, 2013, who retires by rotation			
6	Appointment of Mr. Lalit Mohan Mehta as an Independent Director pursuant to the provisions of the Companies Act, 2013			
7	Appointment of Mr. Raj Kumar Aggarwal as an Independent Director pursuant to the provisions of the Companies Act, 2013			
8	Commission to Non-Executive Directors			
9	Amend the Articles of Association of the Company			

** This is optional. Please put a tick mark (√) in the appropriate column against the Resolutions indicated in the box. If a Member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a Member wishes to abstain from voting on a particular Resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signed this _____ day of _____ 2014

Signature of the Shareholder _____

Affix ₹ 1/-
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

1. The Proxy to be effective should be deposited at the Registered office of the Company not less than (48) FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5. The form of Proxy confers authority to demand or join in demanding a poll.
6. The submission by a Member of this form of proxy will not preclude such Member from attending in person and voting at the Meeting.
7. In case a Member wishes his/her votes to be used differently, he/she should indicate the number of shares under the column "For" or "Against" as appropriate.

C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Vice Chairman & Managing Director

Waryam Singh

Director

Ashok Kumar Gupta

Director

Lalit Mohan Mehta

Independent Director

Shyam Sunder Dawra

Independent Director

Sunil Behari Mathur

Independent Director

Raj Kumar Aggarwal

Independent Director

GROUP CHIEF FINANCIAL OFFICER

K. P. Devassy

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Darshan D. Majmudar

AUDITORS

M/s. Thar & Co.
Chartered Accountants

BOARD COMMITTEES AUDIT COMMITTEE

Shyam Sunder Dawra

Ashok Kumar Gupta

Lalit Mohan Mehta

Raj Kumar Aggarwal

REMUNERATION COMMITTEE

Ashok Kumar Gupta

Raj Kumar Aggarwal

INVESTOR GRIEVANCES & SHARE TRANSFER COMMITTEE

Sarang Wadhawan

Waryam Singh

Lalit Mohan Mehta

FINANCE COMMITTEE

Rakesh Kumar Wadhawan

Sarang Wadhawan

Waryam Singh

PROJECT COMMITTEE

Sarang Wadhawan

Waryam Singh

BANKERS/FINANCIAL INSTITUTIONS

Allahabad Bank

Andhra Bank

Axis Bank Limited

Bank of Baroda

Bank of India

Central Bank of India

Corporation Bank

Dena Bank

HDFC Bank Limited

IDBI Bank Limited

Canara Bank
India Infrastructure Finance
Company Limited
Indian Bank
Indian Overseas Bank
Infrastructure Leasing & Financial
Services Limited
Life Insurance Corporation of India
Oriental Bank of Commerce
Punjab & Maharashtra Co-op.
Bank
Punjab National Bank
Punjab & Sind Bank
Syndicate Bank
The Jammu & Kashmir Bank Limited
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank Ltd.

REGISTERED OFFICE

9-01, HDIL Towers,
Anant Kanekar Marg,
Bandra (East), Mumbai - 400 051
Tel.: 022 - 6788 8000
Fax: 022 - 6788 8175
Website: www.hdil.in

REGISTRAR & SHARE TRANSFER AGENT

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



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

CIN: L70100MH1996PLC101379

9-01, HDIL Towers, Anant Kanekar Marg, Bandra (E), Mumbai – 400 051

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Website: www.hdil.in / Email id: investors.relations@hdil.in