

22ND ANNUAL REPORT 2017-18



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From *Affordable Housing*
to *Residential Townships* and
Premium Commercial Projects,

HDIL's residential projects generally comprise groups of apartments, towers or larger multi-purpose "township" projects. HDIL also undertakes slum rehabilitation projects under a Government scheme administered by the Slum Rehabilitation Authority (SRA), whereby developers are granted development rights in exchange for clearing and redeveloping slum lands, including providing replacement housing for the dislocated slum dwellers. Although historically HDIL has focused on real estate development in the Mumbai Metropolitan Region, as part of their growth strategy they are considering projects in other locations, including Kochi and Hyderabad. They also are into hotel projects, special economic zone (SEZ) developments and "mega-structure" complexes, which are large-scale mixed-use retail, commercial and residential developments.

HDIL's total land reserves comprise approximately 124,800,000 square feet (11,590,000 m²) of saleable area to be developed through 35 Ongoing or Planned projects.

HDIL's turnover from sales of projects, developed land and land development rights for the financial years ended 31 March 2008, 2007, 2006 were ₹ 2380 crore, ₹ 1204 crore, ₹ 434 crore, respectively, and the restated profit after tax for financial years ended 31 March 2008, 2007 and 2006 were ₹ 1409 crore, ₹ 743 crore and ₹ 1,172 crore respectively.^[3] HDIL launched an IPO in July 2007 and is currently listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).^[4]



Chairman's Communiqué....



"The best way to predict the future is to create it."

- Peter Drucker

It is my honour and privilege to interact with you as the Chairman of Housing Development and Infrastructure Limited and great pleasure to share with you the key highlights of the Economy and Company's performance during the Financial Year 2017-18.

The past year has witnessed significant structural changes in the Indian economy that have altered the business paradigm in every sector, including the real estate and construction industry. Due to several bold initiatives of the Government, the nation is on the cusp of a new era of economic activity and opportunity in which the key to success will be the ability to respond to change and overcome the challenges that inevitably arise during the period of transition. The economy recovered significantly in the second half of FY18 thanks to the buoyancy in agriculture and increased government spending on public administration and construction projects.

As I have been frequently indicating to our stakeholders and patrons, during the past few years HDIL has been strategically preparing for and indeed actively pressing for reformatory legislation and visionary policies pertaining to housing, construction and real estate development.

Demonetisation (or note ban) did have dampening effects on the economy. However, even as its negative impact was fading by the time 2017-18 began, the introduction of another reforms of the Goods and Services Tax was implemented by July 1, 2017, leading to consolidation in the sector. The tax replaced existing multiple cascading taxes levied by the central and state governments. GST is meant to replace a slew of indirect taxes with a unified tax and is therefore expected to reshape the country's 2.4 trillion dollar economy, but not without criticism.

The result of these two reforms was evident as the Gross Domestic Product (GDP) growth came crashing down to a three-year low of 5.7 per cent in the first quarter of 2017-18. It was largely because of pre-GST jitters and lingering effects of demonetisation. The economy did recover thereafter to 6.5 per cent in the second quarter and to 7.2 per cent in the third quarter. Overall, the economy is now projected to grow 6.6 per cent in 2017-18 by the second advance estimates, a bit higher than 6.5 per cent, pegged by the first advance estimates.

The Real estate market has been amongst the sectors worst hit by the economic downturn in the year 2017, but as compared to last year the real estate industry has shown the sign of revival and is showing better growth in the year 2018. By introducing regulations like GST, RERA's further amendments, Benami Transaction Prohibition, REITs, there is a long-term industrial growth and it also impacts on ease of business by transparency at work. A lot is expected from Government of India ("GOI") in the upcoming years to offer some relief in the Real Estate sector which will have positive impact on Your Company and its related stakeholders.

The Said Regulations compiled with low inflations proposals like deduction in profit for construction of affordable housing, interest subsidy to first time home buyer and reduction in overall interest rates specially for home loans under affordable Finance Housing Scheme, outcome which will contour the Real Estate.

During FY 2017-18, your Company has paid ₹ 16,653.56 Lakhs debt to various Banks & Financial Institutions and also entered in to settlement agreements with various Banks & Financial Institutions and proposed one time settlement. Consequential to this there has been a 8 % reduction in HDIL's total Debt as on March 31, 2018.

FINANCIAL PERFORMANCE

Company follows projects completion method and financial performance comparison will not be appropriate. However for the record, Company recorded:-

- The Turnover of ₹ 40,237.05 Lakhs as against ₹ 74,617.74 lakhs in the previous year.
- The Company Profit from operation for the year ended March 31, 2018 is ₹ 5,944.84 Lakhs as against ₹ 20,856.28 lakhs in the previous year.
- The Net profit for the year is ₹ 9,532.50 Lakhs as against ₹ 17,524.58 lakhs in previous year.

Your Company has effectively dealt with the financial problems and implanted a risk mechanism to minimize uncertainty. Today, with the spirit of determination, which is at the heart of HDIL,

I am confident of an early return to robust growth.

I take this opportunity to thank all the shareholders for continued faith in us. I also thank my colleagues on the Board for their valuable contribution and all the employees for their unflinching efforts towards building this institution.

It gives me immense pleasure to welcome you all to the **22nd Annual General Meeting** of your company. On behalf of the organization, I thank you all and look forward to your continuous support and co-operation.

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



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

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

The Nest, Mulund (W)

Buying your Home is now even easier



(Original Construction Project Photo)



Answer to the need of Mumbaikars, for affordable housing, in and around the city-Mumbai. Homes made especially for the people, with every modern amenity required for urban living. High on Convenience and Amenities, as well as High on connectivity.

- Cosmopolitan Neighborhood
- Kids Play Area
- Multipurpose Hall
- Parking Available
- Consumer-friendly Designed Units
- Health Club
- Carom, Chess & Library Room

High on Connectivity:

Mulund Station 2 KM

Fortis Hospital 2 KM

Eastern Express Highway 3 KM

D-Mart 2KM

Majestic Towers, Nahur (W).

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



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

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

Paradise City, Palghar.



(Original Construction Project Photo)



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

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

Corporate Information

BOARD OF DIRECTORS Rakesh Kumar Wadhawan Executive Chairman Sarang Wadhawan Vice Chairman & Managing Director Lalit Mohan Mehta Non-Executive Independent Director Raj Kumar Aggarwal Non-Executive Independent Director Sandhya Baliga Non-Executive Independent Director Hazari Lal Non-Executive Independent Director CHIEF FINANCIAL OFFICER & COMPANY SECRETARY Darshan D. Majmudar AUDITORS M/s. Rajeswari & Associates Chartered Accountants BOARD COMMITTEES AUDIT COMMITTEE Sandhya Baliga Lalit Mohan Mehta Raj Kumar Aggarwal NOMINATION & REMUNERATION COMMITTEE Lalit Mohan Mehta Hazari Lal Raj Kumar Aggarwal	STAKEHOLDERS RELATIONSHIP COMMITTEE Lalit Mohan Mehta Sarang Wadhawan CORPORATE SOCIAL RESPONSIBILITY COMMITTEE Rakesh Kumar Wadhawan Sarang Wadhawan Lalit Mohan Mehta RISK MANAGEMENT COMMITTEE Sarang Wadhawan Hazari Lal FINANCE COMMITTEE Rakesh Kumar Wadhawan Sarang Wadhawan PROJECT COMMITTEE Sarang Wadhawan Rakesh Kumar Wadhawan BANKERS / FINANCIAL INSTITUTIONS Allahabad Bank Andhra Bank Bank of India Central Bank of India IDBI Bank Limited Infrastructure Leasing & Financial Services Limited Life Insurance Corporation of India Syndicate Bank The Jammu & Kashmir Bank limited UCO Bank	Union Bank of India Yes Bank Limited REGISTERED OFFICE 9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051 Tel.: +91-22-6788 9000 Fax: +91-22-6788 9090 E-mail id: info@hdil.in Website: www.hdil.in DEBENTURE TRUSTEE: IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel No.: +91 22 4080 7000 Fax: +91 22 6631 1776 e-mail id: itsl@idbitrustee.com REGISTRAR & SHARE TRANSFER AGENT Karvy Computer share Private Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad – 500 032. Tel.: +91-040-6716 1524 Toll Free No.: 1800-3454-001 Fax: +91-040-2300 1153 e-mail id: einward.ris@karvy.com Website: www.karvy.com
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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED**, will be held on Saturday, September 29, 2018 at 11:00 A.M (IST) at Mumbai Cricket Association Recreation Centre ("MCA"), G – Block, RG-2, Near Laxmi Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements:

To consider and adopt the Standalone as well as the Consolidated Financial Statements of the Company for the year ended March 31, 2018 together with the report of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS:

2. Ratify the remuneration to Cost Auditors:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Ketki D. Visariya & Co., Cost Accountants (Firm Registration Number: 00362), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, be paid a remuneration for the financial year ending March 31, 2019, amounting to ₹ 1,00,000/- plus re-imbursement of out-of-pocket expenses incurred and applicable taxes as applicable in connection with the aforesaid audit.

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

3. To consider fund raising programme of the Company:

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

"RESOLVED THAT subject to the approval of the Members in General Meeting and in accordance with the provisions of Section 41, 42, 62 and other applicable provisions, if any of the Companies Act, 2013 ("the Companies Act") (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time the Foreign Exchange Management Act, 1999, as amended ("**FEMA**"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, rules, regulations, guidelines, notifications and circulars prescribed by the Securities and Exchange Board of India ("**SEBI**") including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**ICDR Regulations**"), the Reserve Bank of India ("**RBI**") and the Government of India ("**GOI**") and/or any other competent authorities as may be required and clarifications, if any issued thereon from time to time, the equity listing agreements entered into by the Company with the stock exchanges where the Company's equity shares of face value of ₹ 10 each (the

"**Equity Shares**") are listed (the "**Listing Agreement**"), and subject to any approval, consent, permission and/or sanction of GOI, SEBI, RBI and the stock exchanges, as may be required, and the enabling provisions of the Memorandum of Association and the Articles of Association of the Company, and subject to all other necessary approvals, permissions, consents and/or sanctions of the concerned statutory and other relevant authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any committee thereof constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution to the extent permitted by law), consent of the Board is hereby accorded to create, offer, issue and allot in one or more tranches, in the course of domestic and/or international offering(s) in one or more foreign markets, by way of a public issue, private placement or a combination thereof of the Equity Shares or through an issuance of the global depository receipts ("**GDRs**"), the American depository receipts ("**ADRs**"), the foreign currency convertible bonds ("**FCCBs**"), fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments or securities convertible into Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the "**Securities**") or any combination of Securities to any person including but not limited to foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), foreign institutional investors, promoters, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, employees of the Company and/or any other categories of investors, whether they be holders of shares of the Company or not (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), (collectively called the "**Investors**") at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary as may be decided by the Board in its absolute discretion at the time of issue of Securities in one or more offerings/tranches, such that the total amount including premium raised through the aforesaid Securities should not exceed USD 200 million (200 Million United States Dollars) in one or more currencies.

RESOLVED FURTHER THAT Section 41, 42, 62 and other applicable provisions, if any of the Companies Act, Chapter VIII of the ICDR Regulations, the FEMA and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and subject to consent, authority and approval of the Members, is hereby accorded to issue, offer and allot Equity Shares, securities convertible into Equity Shares or non-convertible debentures along with warrants such that the total amount including premium raised should not exceed USD 200 million (200 Million United States Dollars), as specified in the preceding resolution, to the qualified institutional buyers (as defined in the ICDR

Regulations) pursuant to a qualified institutions placement in accordance with Chapter VIII of the ICDR Regulations.

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

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

RESOLVED FURTHER THAT:

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

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

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

of concerned stock exchange requires such adjustments, necessary adjustments will be made.

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

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

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

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

4. To Re-appoint Mr. Lalit Mohan Mehta (DIN: 00458975) as Independent Director of the Company for a second term.

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

“RESOLVED THAT pursuant to the provisions of Section(s) 149 and 152 read with Schedule IV and other applicable

provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of the members of the Company, Mr. Lalit Mohan Mehta (DIN: 00458975), who was appointed as an Independent Director and who holds office of Independent Director up to March 31, 2019 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company for a term upto March 31, 2024.

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

5. To Re-appoint Mr. Raj Kumar Aggarwal (DIN: 02034914) as Independent Director of the Company for a second term.

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

"RESOLVED THAT pursuant to the provisions of Section(s) 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to the approval of the members of the Company, Mr. Raj Kumar Aggarwal (DIN: 02034914), who was appointed as an Independent Director and who holds office of Independent Director up to March 31, 2019 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company for a term upto March 31, 2024.

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

6. To adopt new set of Article of Associations as per Companies Act, 2013.

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

"RESOLVED THAT pursuant to the provisions of Section(s) 5, 14 and other applicable provisions, if any, of the Companies Act 2013 ('the Act'), read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and subject to the necessary approval(s) required under all other applicable laws and regulations if any, consent of the members of the Company be and is hereby accorded to alter the existing Articles of Association of the Company, by replacing, it with

the new set of Articles of Association in accordance with Table 'F' of Schedule I of the Act and that the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in exclusion and in substitution of the existing Articles of Association of the Company."

7. To adopt new Memorandum of Association as per Companies Act, 2013.

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

"RESOLVED THAT pursuant to the provisions of Section(s) 4, 13 and other applicable provisions, if any, of the Companies Act 2013 ('the Act'), read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and subject to the necessary approval(s) required under all other applicable laws and regulations, if any, consent of the members of the Company be and is hereby accorded to alter the existing Memorandum of Association of the Company, by replacing, it with the new set of Memorandum of Association in accordance with Table 'A' of Schedule I of the Act and that the new set of Memorandum of Association be and is hereby approved and adopted as the Memorandum of Association of the Company in exclusion and in substitution of the existing Memorandum of Association of the Company.

8. To consider and approve issue of 2,00,00,000 (Two Crore) Convertible Warrants on Preferential basis to Promoter of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section(s) 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the relevant rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory/regulatory authorities, Stock Exchange(s), SEBI, Institutions or Bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), consent of the Board of Directors of the Company ("the Board") be and is hereby accorded to offer and issue 2,00,00,000 (Two Crore) Convertible Warrants on preferential basis to the Mr. Sarang Wadhawan, Promoter of the Company ("Warrant Holder" / "Proposed Allottee"), entitling the Warrant Holders to apply for and get allotted one equity share of the face value of ₹ 10/- each fully paid-up against every Warrant held (hereinafter referred to as the "Warrants"), within a period of 18 (Eighteen) months from the date of allotment of Warrants, in such manner, at such price not being less than the price as may be arrived at in accordance with SEBI ICDR Regulations and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of SEBI ICDR Regulations or other applicable laws in this respect.

RESOLVED FURTHER THAT the aforesaid issue of the Warrants shall be on the following terms & conditions:

- I. The 'Relevant Date' in relation to this preferential issue of Warrants will be in accordance with the provisions of Regulation 71 of SEBI ICDR Regulations.
- II. In accordance with the provisions of Regulation 77 of SEBI ICDR Regulations, 25% (Twenty Five Percent) of the consideration payable for the Warrants, shall be paid by the Warrant Holder to the Company on or before allotment of the Warrants and the balance consideration i.e. 75% (Seventy Five Percent) shall be paid at the time of allotment of equity shares pursuant to exercise of option against each such Warrant.
- III. In accordance with the provisions of Regulation 75 of SEBI ICDR Regulations, the tenure of Warrants shall not exceed 18 (Eighteen) months from the date of allotment.
- IV. The Warrant Holder shall be entitled to exercise any or all of the warrants in one or more tranches by way of a written notice to the Company, specifying the number of warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of shares to the Warrant Holder.
- V. If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period of 18 (Eighteen) months, the entitlement of the Warrant holder to apply for equity shares of the Company along with the rights attached thereto shall expire (and any amount paid on such Warrants shall stand forfeited).
- VI. In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant Holder: (i) receives such number of Equity Shares that Warrant Holder would have been entitled to receive; and (ii) pays such consideration for such Equity Shares to the Company which Warrant Holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring.
- VII. Upon exercise by Warrant Holder, the Company shall issue and allot appropriate number of Equity Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to Warrant Holder, evidence of the credit of the Equity Shares to the depository account of Warrant Holder and entering the name of Warrant Holder in the records of the Company (including in the Register of Members of the Company) as the registered owner of such Equity Shares.
- VIII. Subject to applicable laws, it is hereby expressly agreed that where pursuant to a scheme of arrangement, a Company issues shares or similar securities to the Company's shareholders, then Warrant Holder shall

be entitled to receive in lieu of the Warrants held by Warrant Holder such number of shares, warrants or similar securities issued by such company, on the same terms and conditions and with the same rights as the Warrants, and at such effective price that Warrant Holder would have been entitled to receive immediately after the occurrence of such scheme of arrangement had the Warrants been exercised immediately prior to the occurrence of such scheme of arrangement.

- IX. The Warrants by itself until exercised and equity shares allotted, does not give to the Warrant Holder thereof any rights with respect to that of a shareholder of the Company.
- X. In accordance with the provisions of Regulation 78 of SEBI ICDR Regulations, the pre-preferential allotment shareholding of the Proposed Allottee shall be locked-in for a period of 6 Months from the date of trading approval.

RESOLVED FURTHER THAT the equity shares allotted on exercise of warrants in terms of this Resolution shall rank paripassu in all respects (including as to entitlement to voting powers and dividend) with that of existing fully paid-up Equity Shares of face value of ₹10/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT all or any of the powers conferred on the Company and the Board of Directors vide this Resolution may be exercised by the Board or Finance Committee of the Board (with power to delegate to any Officer of the Company), as the Board or such Finance Committee, for the purpose of giving effect to this Resolution, may in its absolute discretion deem necessary, desirable or expedient, including the Listing Application to the Stock Exchange(s), filing of requisite forms with Registrar of Companies and to resolve and settle any questions and difficulties that may arise in the proposed offer, issue and allotment of aforesaid securities, utilization of issue proceeds, signing of all deeds and documents as may be required and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

By order of the Board of Directors

Place : Mumbai

Date : August 14, 2018

Darshan D. Majmudar

Chief Financial Officer and Company Secretary

Registered Office

9-01, Hdil Towers,
Anant Kanekar Marg,
Bandra (East),
Mumbai - 400051

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying notice:

ITEM NO. 2

The Board on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Ketki D. Visariya & Co., Cost Accountants ("**Cost Auditors**"), to conduct the audit of the cost records of the Company for the Financial Year ("F.Y.") ending March 31, 2019.

In terms of the provisions of Section 148 of the Act, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the F.Y. ending March 31, 2019, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 2.

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

ITEM NO. 3

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

Pursuant to the above, the Board may, issue and allot in one or more tranches, in the course of domestic and/or international offering(s) in one or more foreign markets, by way of a public issue, private placement or a combination thereof of the Equity Shares or through an issuance of the Global depository receipts, the American depository receipts, the foreign currency convertible bonds, fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments or securities convertible into Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the "**Securities**") or any combination of Securities to any person including but not limited to foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), foreign institutional investors, promoters, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, employees of the Company and/or any other categories of investors.

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

For reasons aforesaid, an enabling Resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The securities issued pursuant to the offering would be pari passu with the existing Equity Shares

in all respects, except the right as to dividend which shall be from the relevant F.Y. in which they are allotted and/or as provided under the terms of the issue or as contained in the relevant offering documents.

The proposed issue of Qualified Institutions Placement Securities as above may be made in one or more tranches such that the aggregate amount raised by issue of Qualified Institutions Placement Securities shall not exceed USD 200 million (200 Million United States Dollars).

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

None of the Directors, or KMP of the Company (or their relatives) are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

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

ITEM NO. 4 & 5

As per the provisions of Section 149, Section 152 and Schedule IV of the Act read with rules thereunder, the Company had appointed Mr. Lalit Mohan Mehta and Mr. Raj Kumar Aggarwal as Independent Directors as per the requirement of the Act at the 18th Annual General Meeting of the Company held on September 30, 2014 for holding office for five consecutive years for a term up to March 31, 2019. Since, the Independent Directors will be completing one term as Independent Directors and are eligible for re-appointment for one more term.

The reappointment of Independent Directors is made as a result of performance evaluation of Directors. The Nomination & Remuneration Committee has recommended and the Board has approved the reappointment of Mr. Lalit Mohan Mehta and Mr. Raj Kumar Aggarwal as Independent Directors as per their letters of appointment for a period of Five years w.e.f. April 1, 2019.

Mr. Lalit Mohan Mehta and Mr. Raj Kumar Aggarwal have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of them fulfill the conditions specified in the Act and the rules framed thereunder for re-appointment as Independent Director and they are Independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act the appointment of these Directors as Independent Directors is now being placed before the Members for their approval.

A profile of Mr. Lalit Mohan Mehta and Mr. Raj Kumar Aggarwal set out in the section on '**Detail of Directors being appointed**'

annexed to the Notice. A copy of the draft letter of appointment which will be issued to Mr. Lalit Mohan Mehta and Mr. Raj Kumar Aggarwal setting out the terms and conditions of their appointment as Independent Director is available for inspection by Members at the Registered Office of the Company on any working day (Monday to Friday) between 11 A.M. (IST) and 1 P.M. (IST) prior to the date of the Annual General Meeting.

A brief profile of the Independent Directors to be appointed is given below:

1. Mr. Lalit Mohan Mehta 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.
2. Mr. Raj Kumar Aggarwal has a Bachelor Degree in Commerce and is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He is practicing Chartered accountant since 1980. He has served on the Board of Bank of Baroda Capital Market Limited ("BoBCML"), a subsidiary of Bank of Baroda and was also a member of the Audit Committee of the Board of BoBCML. Presently he is 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.

Except Mr. Lalit Mohan Mehta and Mr. Raj Kumar Aggarwal being an appointee respective to their Appointing Resolutions none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 & 5 respectively of the Notice.

ITEM NO. 6

The existing Articles of Association ("AoA") of the Company, based on the Companies Act, 1956 are no longer in conformity with the Act. With the coming into force of the Act, several regulations of AoA require alteration/deletion. Given this position, it is considered expedient to adopt a new set of Articles of Association (primarily based on Table F set out under Schedule I to the Act) in place of existing AoA.

In terms of Section 14 of the Act, consent of Members by way of a Special Resolution is required for adoption of a new set of Articles of Association. The entire set of proposed new Articles of Association is available for inspection by Members at the Registered Office of the Company on any working day (Monday to Friday) between 11 A.M (IST) and 1 P.M (IST) prior and on the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution.

The Directors recommend the aforesaid Resolution for the approval by the Members as Special Resolution.

ITEM NO. 7

The existing Memorandum of Association ("MoA") of the Company, based on Companies Act, 1956 are no longer in conformity with the Act. With the enactment of the Act, several clauses of MoA require alteration/deletion. Given this position, it is considered expedient to adopt the new set of MoA (primarily based on Table A set out under Schedule I to the Act) in place of existing MoA.

In terms of Section 13 of the Act, consent of Members by way of a Special Resolution is required for adoption of a new set of Memorandum of Association. The entire set of proposed new Memorandum of Association is available for inspection by Members at the Registered Office of the Company on any working day (Monday to Friday) between 11 A.M (IST) and 1 P.M (IST) prior and on the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution. The Directors recommend the aforesaid Resolution for the approval by the Members as Special Resolution.

ITEM NO. 8

With a view to consolidate and infuse long term working capital in the Company, the Board of Directors of the Company, at its Meeting held on Tuesday, August 14, 2018, approved the issue of 2,00,00,000 (Two Crore) Warrants, convertible into equivalent number of Equity Shares of ₹10/- each to Mr. Sarang Wadhawan, Promoter of the Company ("Warrant Holder / Proposed Allottee") on preferential basis, in one or more tranches, at a price which shall not be less than the minimum price as may be arrived at in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), as amended from time to time.

Pursuant to the provisions of Sections 62(1)(c) and 42 of the Act any preferential allotment of Securities needs to be approved by the Members of the Company by way of a Special Resolution. Further, in terms of Regulation 73 of the SEBI ICDR Regulations, certain disclosures are required to be made to the Members of the Company which forms part of this Explanatory Statement.

Details of the Issue:

1. The allotment of the Warrants is subject to the Proposed Allottee not having sold any equity shares of the Company during the 6 (Six) months preceding the Relevant Date. The Proposed Allottee has affirmed that he has not sold any equity shares of the Company during the 6 (Six) months preceding the Relevant Date.
2. The relevant disclosures as required under Chapter VII of the SEBI ICDR Regulations are set out below:
 - a) **Objects of the Preferential Issue:**
The proceeds of the preferential issue of Warrants will be utilized by the Company to consolidate and infuse long term working capital in the Company.
 - b) **Proposal of the Promoters / Directors / Key Managerial Personnel of the Company to subscribe to the preferential issue:**
The preferential issue is being made to Mr. Sarang Wadhawan, Promoter of the Company.

c) **Shareholding pattern of the Company before and after the preferential issue:**

Category of Shareholders	Pre-Issue Shareholding as on August 14, 2018		*Post-Issue Shareholding after issue of equity shares under the proposed preferential issue	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoter & Promoter Group:				
Individual/ HUF	5,66,59,115	12.48	7,66,59,115	16.17
Bodies Corporate	11,23,97,867	24.76	11,23,97,867	23.71
Promoter's Relatives	92,94,284	2.05	92,94,284	1.96
Total Shareholding of Promoter & Promoter Group	17,83,51,266	39.28	19,83,51,266	41.85
Public Shareholding of Institutions:				
Mutual Funds	176	0.00	176	0.00
Banks / FI	33,68,729	0.74	33,68,729	0.71
Insurance Companies	3,14,372	0.07	3,14,372	0.07
FIs	6,35,54,519	14.00	6,35,54,519	13.41
Sub Total	6,72,37,796	14.81	6,72,37,796	14.19
Public Shareholding of Non-Institution				
Bodies Corporate	4,70,03,293	10.35	4,70,03,293	9.92
Individual	15,12,79,614	33.32	15,12,79,614	31.92
Non Resident Indians	54,97,080	1.21	54,97,080	1.16
Clearing Members	46,28,482	1.02	46,28,482	0.98
Trusts	6,442	0.00	6,442	0.00
Overseas Corporate Bodies	13	0.00	13	0.00
Sub Total	20,84,14,924	45.91	20,84,14,924	43.97
Total Shareholding	45,40,03,986	100	47,40,03,986	100

*Assuming exercise by the Proposed Allottee of all the Warrants.

d) **The time within which the preferential issue shall be completed:**

As required under the SEBI ICDR Regulations, the allotment of the Warrants on preferential basis will be completed within a period of 15 days from the date of passing of the Special Resolution. Provided that where any approval or permission by any regulatory or statutory authority for allotment is pending, the allotment of the Warrants shall be completed within 15 days from the date of receipt of such approval or permission.

e) **Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the Company consequent to the preferential issue:**

Name of the Allottee	Ultimate Beneficial Owners	Pre-Issue Equity Holding		No. of Warrants to be allotted	Post-Issue Holding (after exercise of Warrants)*	
Mr. Sarang Wadhawan	Mr. Sarang Wadhawan	3,91,59,115	8.63	2,00,00,000	5,91,59,115	12.48

* The above figures are estimated and to be based on price determined under SEBI ICDR guidelines and assuming exercise by the Proposed Allottee of all the Warrants.

There shall be no change in control of the Company pursuant to the issue of Warrants.

f) Relevant Date:

The Relevant date for the purpose of this issue shall be Wednesday, August 29, 2018, being the date 30 days prior to the deemed date of passing of Special Resolution by the Members of the Company in its 22nd AGM to approve the proposed preferential issue, in accordance with the SEBI ICDR Regulations.

g) Basis or Justification of Price:

The issue price will be determined in accordance with Regulation 76 of the SEBI ICDR Regulations. Since the Company is listed on both BSE Limited and National Stock Exchange of India Limited, the trading volume of Securities of the Company on both the Stock Exchanges will be considered to determine the higher trading volume for computation of issue price. The issue of equity shares arising out of exercise of Warrants issued on preferential basis shall be made at a price not less than higher of the following or as per the law prevailing at the time of allotment of Warrants:

- i. the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized Stock Exchange during the 26 weeks preceding the Relevant Date; or
- ii. the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized Stock Exchange during the 2 weeks preceding the Relevant Date.

The 'Recognized Stock Exchange' referred to above means any of the recognized Stock Exchanges in which the equity shares of the Company are listed and in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding 26 weeks prior to the Relevant Date.

The Company would notify through the newspapers the price of each equity share to be issued in lieu of Warrants calculated in accordance with Regulation 76(1) of Chapter VII of the SEBI ICDR Regulations on the basis of the Relevant Date for the benefit of the Members.

h) Requirement as to re-computation of price and lock-in of specified securities:

Since the equity shares of the Company have been listed on the recognized Stock Exchanges for a period of more than 6 months prior to the Relevant Date, the Company is not required to re-compute the price of the equity shares and therefore, the Company is not required to submit the undertakings specified under Regulations 73(1)(f) and (g) of the SEBI ICDR Regulations.

i) Auditor's Certificate:

A copy of the certificate from M/s. Rajeswari & Associates., Chartered Accountants, Statutory Auditors of the Company, certifying that the proposed preferential issue of Warrants is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations, shall be available for inspection at the Registered Office of the Company during office hours on all working days, except Saturday/ Sunday and other holidays, between 10.00 A.M (IST) to 12.00 noon up to the date of declaration of result of General meeting i.e. September 30, 2018.

j) Lock-in Period:

The Warrants and the equity shares allotted pursuant to exercise of options attached to Warrants issued on preferential basis will be subject to lock-in as provided in the SEBI ICDR Regulations. The entire pre-preferential allotment shareholding of the Proposed Allottee, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval granted by the Stock Exchange(s).

Except Mr. Sarang Wadhawan, Vice Chairman & Managing Director and Mr. Rakesh Kumar Wadhawan, Executive Chairman of the Company, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8.

Accordingly, your Directors commend the Special Resolution for the approval of the Members for approving issue of Warrants on preferential basis to Mr. Sarang Wadhawan, Promoter of the Company.

Detail of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Name of Director	Mr. Lalit Mohan Mehta	Mr. Raj Kumar Aggarwal
Date of Birth	20/01/1944	10/11/1956
Age	74	62
Qualification	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.
Experience in functional Area	He has over 35 years of experience in the field of Banking, Finance and Planning.	He has rich experience of more than 30 years in the field of Investment Schemes, Restructuring, other Corporate Law matters and Accountancy.
Terms and condition for Re-appointment	Re-appointed as an Independent Director of the Company to hold office for a term of 5 (five) years upto March 31, 2024 not liable to retire by rotation.	Re-appointed as an Independent Director of the Company to hold office for a term of 5 (five) years upto March 31, 2024 not liable to retire by rotation.
Detail of Remuneration	Independent Directors are entitled to sitting fees for attending meetings of the Board & Committees thereof and also commission.	Independent Directors are entitled to sitting fees for attending meetings of the Board & Committees thereof and also commission.
Date of First Appointment on board	14/06/2006	21/05/2008
Shareholding in the Company	Nil	Nil
Number of meetings attended during the financial year 2017-18	4 (Four)	4 (Four)
Other Directorship(s) as on date of the Notice	None	None
Committee Positions in other Public Companies	None	None
Relationship with other Director/Manager and other KMP	None	None

NOTES FOR MEMBERS' ATTENTION

1. STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

The Statement pursuant to Section 102(1) of the Act, which sets out details relating to Special Businesses to be transacted at the meeting forms part of this Notice.

2. APPOINTMENT OF PROXY

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS SENT HERewith.

A PERSON CAN ACT AS PROXY ON BEHALF OF NOT EXCEEDING 50 (FIFTY) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, EITHER IN PERSON OR THROUGH POST, DULY COMPLETED AND SIGNED NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE MEETING.

PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, CORPORATE MEMBERS, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE CERTIFIED COPY OF THE RESOLUTION/ AUTHORITY, AS APPLICABLE.

AN INSTRUMENT FOR APPOINTMENT OF PROXY IS VALID ONLY IF IT IS DULY FILLED, PROPERLY STAMPED AND SIGNED. INCOMPLETE, BLANK, UNDATED PROXY OR PROXY FORM WHICH DOES NOT STATE THE NAME OF THE PROXY, WILL NOT BE CONSIDERED VALID. IF THE COMPANY RECEIVES MULTIPLE PROXIES FOR THE SAME HOLDINGS OF A MEMBER, THE PROXY WHICH IS DATED LAST WILL BE CONSIDERED AS VALID. IF SUCH MULTIPLE PROXIES ARE NOT DATED OR THEY BEAR THE SAME DATE WITHOUT SPECIFIC MENTION OF TIME, ALL SUCH PROXIES SHALL BE CONSIDERED AS INVALID. PROXY WILL BE VALID UNTIL WRITTEN NOTICE OF REVOCATION HAS BEEN RECEIVED BY THE COMPANY BEFORE THE COMMENCEMENT OF THE AGM.

THE PROXY-HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE MEETING.

DURING THE PERIOD BEGINNING 24 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE AGM AND ENDING WITH CONCLUSION OF THE AGM, A MEMBER CAN INSPECT THE PROXIES SUBMITTED AT ANY TIME DURING BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAN THREE DAYS OF NOTICE IN WRITING IS GIVEN TO THE COMPANY.

3. AUTHORISED REPRESENTATIVES

Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.

4. ELECTRONIC COPY OF ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Section 101 and Section 136 of the Act, read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail address with the Company can now intimate the same to the Karvy Computershare Private Limited, Company's Registrar & Share Transfer Agent ("R&T Agent") or to the Company. **Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.** Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. Members may also note that the Notice of the Twenty Second AGM and the Annual Report for Financial year ("F.Y.") 2017-18 will also be available on the Company's website – www.hdil.in for downloading. The physical copies of all the documents mentioned/ referred to in this Notice will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form free of cost, upon making a request for the same. For any communication, the members may also send requests to the Company's investor email id i.e. info@Hdil.in.

5. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication electronically including Annual Report, Notices, Circulars, etc. from the Company.

6. SUBMISSION OF MEMBERS PERMANENT ACCOUNT NUMBER (PAN)

The Securities and Exchange Board of India ("SEBI") has mandated submission of PAN by every participant in the Securities Market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

7. INSPECTION OF REGISTERS AND DOCUMENTS

The Relevant documents referred to in the accompanying Notice and Statement shall remain open for inspection at the Registered Office of the Company on all working days, between 10.00 A.M. (IST) to 12.00 noon upto the date of the AGM.

8. The Company has notified closure of Register of Members and Share Transfer Books of the Company from Saturday, September 22, 2018 to Saturday, September 29, 2018 (both days inclusive).

9. Members/ proxies should bring their Attendance Slip/ Proxy Form sent herewith, duly filled in, for attending the AGM.

10. VOTING

a. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, September 21, 2018 i.e. the cut-off date, shall be

entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the AGM (i.e. remote e-voting).

- b. The remote e-voting period will commence at 09:00 A.M (IST) on Wednesday, September 26, 2018 and will end at 05:00 P.M (IST) on Friday, September 28, 2018, During this period, members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 21, 2018, may cast their vote by remote e-voting. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but **shall not be entitled to cast their vote again**.
- c. The facility for voting through electronic voting system ('Insta Poll') will be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.
- d. The Company has appointed Mr. Suhas Ganpule, Proprietor of M/s. SG & Associates, Company Secretaries (C.P. No. 5722), Practicing Company Secretaries, to act as the Scrutinizer and to scrutinize the entire e-voting process in a fair and transparent manner.
- e. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

The Company has entered into an arrangement with Karvy for facilitating remote E-voting for AGM.

- a) E-Voting to commence : On Wednesday, September 26, 2018 at 09.00 A.M (IST).
- b) E-Voting to end : On Friday, September 28, 2018 at 05.00 P.M (IST).
- c) URL : <https://evoting.karvy.com>

The instructions for remote E-voting are as under:

A. In case of Members receiving an e-mail from Karvy Computershare Private Limited ("Karvy") :

The Company has engaged the services of Karvy for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

- i. Launch an internet browser and open <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and password). The Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

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

- iii. After entering the above details Click on - "LOGIN". Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will also prompt you to update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- iv. On successful login, the system will prompt you to select the e-Voting Event.
- v. Select the EVENT of Housing Development and Infrastructure Limited and click on -Submit.
- vi. Now you are ready for e-voting as 'Cast Vote' page opens.
- vii. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- viii. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- ix. Once you have voted on the Resolution, you will not be allowed to modify your vote.
- x. Institutional shareholders (i.e. other individuals, HUF etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at sgevoting@gmail.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 of Members receiving physical copy of the Notice of Annual General Meeting and Attendance Slip:

- i. Initial Password is provided, at the bottom of the Attendance Slip.

Electronic Voting Event Number (EVEN)	User ID	Password/ Pin

- ii. Please follow all steps from Sr. No. (i) to Sr. No. (x) above, to cast vote.

OTHER INFORMATION:

- I. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and e-voting user manual available in the download section of Karvy's e-voting website <https://evoting.karvy.com>.
- II. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may obtain the user ID by approaching the Company for issuance of the User

ID and Password for exercising their right to vote by electronic means.

- a. If e-mail or mobile number of the Member is registered against Folio No. / DP ID-Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "forgot password" and enter Folio No. or DP ID-Client ID and PAN to generate a password.
 - b. Member may call Karvy's toll free number 1800-3454-001.
 - c. Member may send an e-mail request to evoting@karvy.com.
- III. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, September 21, 2018. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

GENERAL INSTRUCTIONS:

1. Mr. Suhas Ganpule, Proprietor of M/s. SG & Associates, Company Secretaries (C.P. No. 5722), Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
2. The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer shall submit a Consolidated Scrutinizers Report of the total votes cast in favour of or against, if any, not later than two (2) days after the conclusion of the AGM to the Chairman of the Company. The Chairman,

or any other person authorised by the Chairman, shall declare the result of the voting forthwith.

3. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.hdil.in) and on Karvy's website (<https://evoting.karvy.com>) after communication of the same to BSE Limited and National Stock Exchange of India Limited.
4. The Resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.
5. The results declared along with the Scrutinizer's Report shall be declared through following means of communication:
 - a. displayed on the Notice Board of the company at its Registered Office.
 - b. shall be put on the website of the Company i.e. www.hdil.in.
 - c. shall be put on the website of Karvy's website (<https://evoting.karvy.com>).
 - d. shall be communicated to BSE Limited and National Stock Exchange of India Limited.
6. The results shall also be available for inspection at the Registered Office of the Company.

By order of the Board of Directors

Place : Mumbai

Darshan D. Majmudar

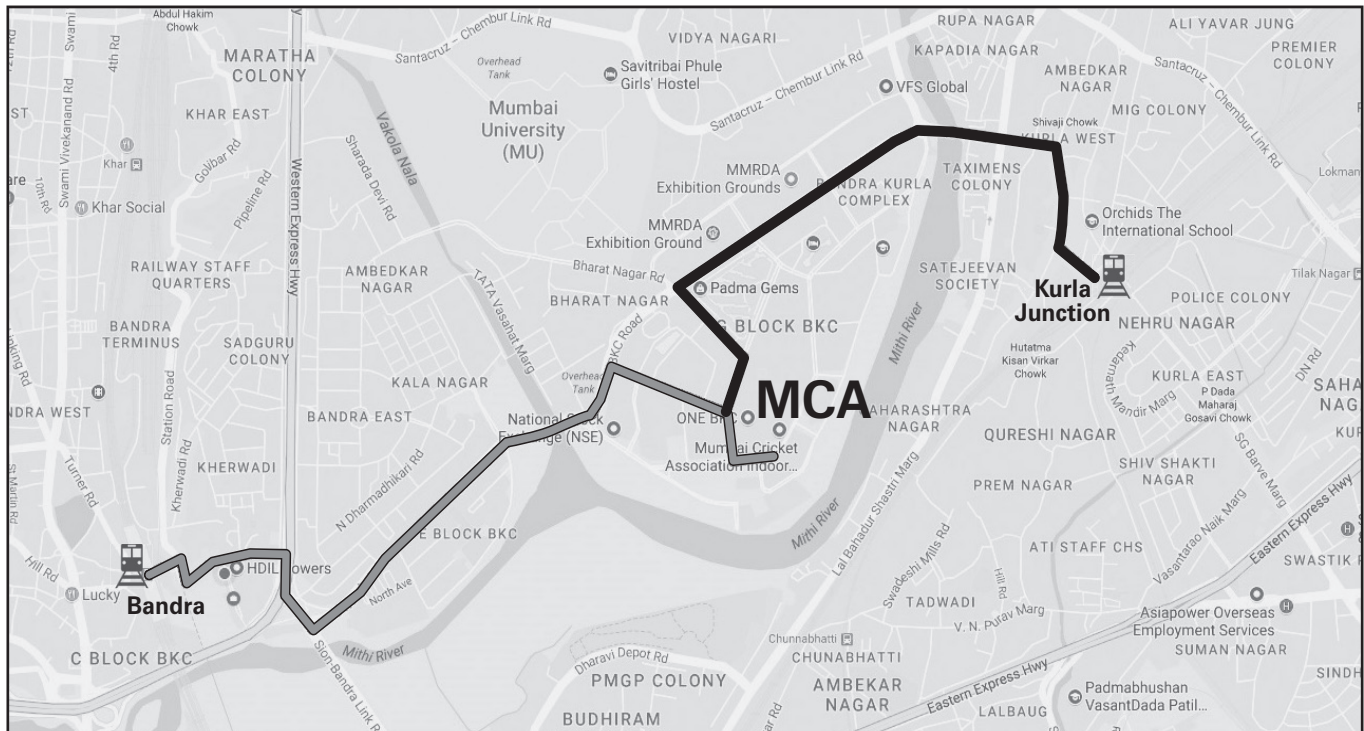
Date : August 14, 2018

Chief Financial Officer and Company Secretary

ROUTE MAP TO THE ANNUAL GENERAL MEETING VENUE

Venue: Mumbai Cricket Association Recreation Centre, G – Block, RG-2, Near Laxmi Towers, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051

(Directions from Bandra Railway Station and Kurla Railway Station)



Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report of the Company together with the "Management Discussion and Analysis Report", "Corporate Governance Report" and "Audited Financial Statements" for the Financial Year ("F.Y.") ended March 31, 2018.

FINANCIAL PERFORMANCE

Your Company's performance during the F.Y. ended March 31, 2018 as compared to the previous F.Y. is summarised below:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	38,775.07	71,081.02	38,775.07	72,376.79
Other Income	1,461.99	3,536.71	1,385.86	3,451.16
Turnover	40,237.06	74,617.73	40,160.93	75,827.95
Total Expenditure	6,828.66	23,009.29	-1,483.89	11,085.33
Profit before Interest, Depreciation and Tax (PBIDT)	33,408.40	51,608.44	41,644.82	64,742.62
Less: Depreciation	677.21	733.97	683.24	750.13
Interest	26,786.35	30,018.19	34,917.94	42,824.48
Profit before Tax (PBT)	5,944.84	20,856.28	6,043.64	21,168.01
Tax Expenses	-3,587.66	3,331.70	-3,523.09	3,280.13
Profit after tax	9,532.50	17,524.58	9,566.73	17,887.88
Add: Other Comprehensive Income	95.78	-43.45	99.70	-43.74
Profit attributable to Non-controlling Interest	-	-	-3.04	-10.70
Profit attributable to Owner of the parent	9,628.28	17,481.13	9,669.47	17,854.84
Balance brought forward from previous year	46,198.23	28,717.10	10,258.38	-8,189.91
Less: Appropriations:				
Transfer to General Reserve	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	-
Delisting of Subsidiary	-	-	-6.21	593.45
Net Balance for the Year	55,826.51	46,198.23	19,921.64	10,258.38

STATE OF COMPANY'S AFFAIRS AND PERFORMANCE REVIEW

- The Turnover of the Company decline by 45.45% and stood at ₹ 38,775.07 lacs as against ₹ 71,081.03 lacs in the previous year.
- The Company's Profit from operations for the year ended March 31, 2018, decreased by 71.50% to ₹ 5,944.83 lacs as against ₹ 20,856.28 lacs in the previous year.
- The Net Profit for the year has decreased by 44.92 % to ₹ 9,532.50 lacs as against ₹ 17,524.58 lacs in previous year.

BUSINESS REVIEW

For the Real Estate Industry year 2017 was a watershed year with the roll-out of game-changing policies such as Goods & Services Tax ("GST") and The Real Estate (Regulation and Development) Act, 2016 ("RERA"). Demonetization's impact started to taper off slightly however Residential sales are yet to catch up to the pre-demonetisation level. Commercial project is showing improved interest and these have impacted demand for floor space index ("FSI") and Transfer of Development Rights ("TDR").

The Company had launched a new project in affordable housing sector i.e "The Nest" and had completed as well during the year under review. The Company is currently developing various projects at Kurla, Nahur, Mulund and Palghar.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SUBSIDIARY COMPANIES

As at March 31, 2018, your Company has following subsidiaries:

Sr. No.	Name of Subsidiary
1	Blue Star Realtors Private Limited
2	BKC Developers Private Limited
3	Guruashish Construction Private Limited
4	HC Infracity Private Limited (till August 11, 2017)
5	Lashkaria Construction Private Limited
6	Mazda Estates Private Limited
7	Privilege Power and Infrastructure Private Limited
8	Ravijyot Finance and Leasing Private Limited (till November 14, 2017)

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), read with relevant rules of Companies (Accounts) Rules, 2014, the Company has prepared its consolidated financial

statement including all of its subsidiaries, which is forming part of this report. A statement containing salient features of financial statements of subsidiary companies in Form AOC 1 is included in the Annual Report at Page No. 117.

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

DIVIDEND

In view of the current market and industry scenario, your Board has been actively pursuing paring of its debt by monetising its land banks, your Directors have not recommended payment of any Dividend for the F.Y. ended March 31, 2018.

DEBENTURES

During the F.Y. 2017-18, your Company has not issued any Debentures. Debenture Redemption Reserve has been available and is part of General Reserves.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 is ₹ 4,34,00,39,860. The equity shares of your Company continue to be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the year under review the Company had allotted 2,00,00,000 Convertible Warrants having option to apply for and be allotted equivalent number of equity shares of the face value of ₹ 10 each at a premium of ₹ 60.50 to Mr. Sarang Wadhawan, Promoter of the Company.

RESERVES

During the year under review, your Company has transferred no amount to General Reserves.

DEPOSITS

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

MATERIAL EVENT – CORPORATE INSOLVENCY RESOLUTION PROCESS OF A WHOLLY OWNED SUBSIDIARY COMPANY

The Hon'ble National Company law Tribunal ("NCLT") Mumbai bench after admission of petition filed by Union Bank of India under Section 7 of Insolvency and bankruptcy Code, 2016 ("IBC Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 has ordered the commencement of the Corporate Insolvency Resolution process to its Wholly owned subsidiary Company –Guruashish Construction Private Limited due to default in repayment of the Loan and interest thereon on July 24, 2017. Accordingly the powers of the Board of Directors suspended pursuant to section 17(1)(b) of the IBC Code and Mr. R. K. Bhuta was appointed as Interim resolution Professional for the management of the affairs of the Company.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

As on March 31, 2018, the Board of the Company consisted of six directors, of whom Two were executive, Four were non-executive and non-independent (including one woman director). The Company has an executive Chairman. During the year there was no change in the Composition of board of Directors.

Mr. Lalit Mohan Mehta (DIN : 00458975) and Mr. Raj Kumar Aggarwal (DIN : 02034914) , Independent Directors of the Company of whose tenure expires on March 31, 2019, being eligible, offers themselves for re-appointment for further terms i.e for five years, subject to the approval of Members.

All Independent Directors have submitted declarations that each of them meets the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The terms and conditions of the appointments of Independent Directors have been placed on the website of the Company www.hdil.in.

Your Company has conducted the familiarisation programme for all its Directors covering the matters as specified under Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), details of which has been hosted on the Company's website at <http://www.hdil.in/pdf/policies/familiarisation-programme-for-independent-directors.pdf>.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

A report on Corporate Governance together with a certificate received from M/s. Rajeswari & Associates, Chartered Accountants, Statutory Auditors of the Company confirming the compliance with the provisions of Corporate Governance as stipulated in Listing Regulations is given separately which forms part of this Report. (Refer Page No. 38).

NUMBER OF MEETINGS OF THE BOARD

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

During the F.Y., the Board met four (4) times viz. on May 30, 2017, August 11, 2017, November 14, 2017 and February 14, 2018.

Detailed information on the Meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report. (Refer Page No. 38).

COMMITTEES OF THE BOARD

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

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee;
- Corporate Social Responsibility Committee ("CSR Committee") and;
- Finance Committee.

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

AUDIT COMMITTEE

The Audit Committee comprises of the following Directors:

Ms. Sandhya Baliga	-	Chairperson
Mr. Lalit Mohan Mehta	-	Member
Mr. Raj Kumar Aggarwal	-	Member

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

STATUTORY AUDITORS

M/s. Rajeswari & Associates, Chartered Accountants (Firm Registration Number 123005W), was appointed as Statutory auditor of the Company by the members for a term of five consecutive years, from the conclusion of 21st AGM till the conclusion of the 26th AGM of the Company (subject to ratification of their appointment at every AGM, if required under the ACT).

However, pursuant to the Companies Amendment act, 2017 which was notified on May 7, 2018, the provision relating to ratification of appointment of auditors by Members at every AGM has been done away with.

EXPLANATION ON AUDITORS' REPORT

As regards the observation by the Auditor in the Auditors' Report regarding delay in payment of Statutory dues, subsequently the Company has paid TDS of ₹ 104.00 lacs and arrears of interest on Service Tax and VAT will be cleared upon completion of assessment of the respective years.

In respect of Income Tax demands, your Directors would like to state that the Company has filed appeals against the demand raised by the Assessing officer and the same is pending for disposal at various stages. Your Company is confident based on the advice of Advisors that the outcome of the appeals will be decided in favor of the Company.

The Company has made payment in part of its dues to bank/Financial institution in accordance with the One Time Settlement Agreement with them. Few banks have yet to approve One Time Settlement proposal and upon receipt of sanction, payments will be made to said Banks/Financial Institution.

There are no qualifications, reservations, adverse remarks or disclaimers made by Statutory Auditors in their Report dated May 30, 2018, on the financial statements of the Company for F.Y. 2017-18.

SECRETARIAL AUDIT REPORT

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

There are no qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Report dated May 29, 2018, on the Secretarial and other related records of the Company for the F.Y. 2017-18.

COST AUDITORS

In pursuance of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board, on recommendation of Audit Committee, has appointed M/s. Ketki D. Visariya & Co., Cost Accountants (Firm Registration No. 00362), as the Cost Auditors to conduct the Cost Audit for the F.Y. 2018-19 at a remuneration of ₹ 1,00,000/- and reimbursement of out of pocket expenses plus applicable taxes.

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

INTERNAL FINANCIAL CONTROL

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY

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

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the F.Y. 2017-18 were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Act are not attracted and hence the disclosure in form AOC-2 is not required.

During F.Y. 2017-18, there are no material related party transactions with Promoters, Directors or Key Managerial Personnel ("KMP"). The Company has in place a policy on Materiality of and Dealing with Related Party Transactions for the purpose of identification and monitoring of such transactions. Suitable disclosures as required under AS-18 have been made in Note 37 of the Notes to the financial statements.

Pursuant to Regulation 23 of the Listing Regulations, the Company has in place a Policy on dealing with Related Party Transactions, which has been hosted on Company's website at

<http://www.hdil.in/pdf/policies/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf>

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

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

RISK MANAGEMENT

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

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

VIGIL MECHANISM

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

Your Company assures cognizance of complaints made and suggestions given by the employees. Even anonymous complaints

will be looked into and whenever necessary, suitable corrective steps will be taken.

The Whistle Blower Policy, provides for adequate safeguards against victimisation of persons who use such mechanism and also provides direct access to the Chairperson of the Audit Committee.

The Whistle Blower Policy has been put up on the Company's Website at www.hdil.in.

NOMINATION AND REMUNERATION POLICY

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

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

EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS

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

PARTICULARS OF EMPLOYEES

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

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

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

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

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

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

During F.Y. 2017-18, your Company has not received any complaint on sexual harassment.

INVESTORS' RELATION AND GRIEVANCES

Investors' relations have been cordial during the year. As a part of compliance, the Company has in place Stakeholders Relationship Committee to deal with the issues relating to investors. There were no investors' grievances pending as on March 31, 2018. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent ("R&T").

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

- | | | | |
|----|---------------------------|---|----------|
| 1) | Mr. Rakesh Kumar Wadhawan | - | Chairman |
| 2) | Mr. Sarang Wadhawan | - | Member |
| 3) | Mr. Lalit Mohan Mehta | - | Member |

Your Company has also in place a Corporate Social Responsibility ("CSR") Policy which is available on the website of the Company at www.hdil.in.

The average Net Profit of the Company for last three F.Y. is ₹ 77,533.71 Lacs and accordingly the Company requires to spend ₹ 1,477.23 Lacs on CSR activities.

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

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

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

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

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

Information as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, for the year ended March 31, 2018, is as under:

CONSERVATION OF ENERGY

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

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

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

RESEARCH AND DEVELOPMENT

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

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

Optimization of Space:

Mechanical Car Parking

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

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

Ingstrom Fire Escape Chutes

Initiatives for Sustainable Building Energy Conservation

GREEN PAINTS FOR GREEN BUILDING:

Introduction:

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

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

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

Benefits:

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

LED LIGHTS

Introduction:

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

Ecologically Friendly:

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

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

Zero UV Emissions:

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

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

Security Systems:

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

- Fire Alarm System and
- Water Curtain System

TECHNOLOGICAL ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lacs)

Year	2017-18	2016-17
Foreign exchange earnings	-	-
Foreign exchange outgo	156.01	213.43

PARTICIPATION IN THE GREEN INITIATIVE

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

REGULATORY ACTION

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

INFORMATION OF MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2018 and prior to August 14, 2018 being the date of this report.

CAUTIONARY STATEMENT

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

APPRECIATION

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

For and on behalf of the Board of Directors

Mr. Rakesh Kumar Wadhawan

Executive Chairman

DIN : 00028573

Place: Mumbai

Date: August 14, 2018

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Blue Star Realtors Private Limited	Dewan Tower, Station Road, Vasai (West), Thane – 401 202	U45200MH1990PTC055968	Subsidiary	100.00	2(87)(ii)
2	BKC Developers Private Limited	5 th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051	U74999MH2003PTC143045	Subsidiary	98.50	2(87)(ii)
3	Guruashish Construction Private Limited	Ground Floor, Siddharth Nagar No. 1, Opp. Siddharth Nagar Post Office, Goregaon (West), Mumbai – 400 104	U45200MH2000PTC126895	Subsidiary	100.00	2(87)(ii)
4	Lashkaria Construction Private Limited	102, 1 st Floor, Diamond Apartment, CTS No. 198, New Link Road, Oshiwara, Mumbai – 400 102	U70100MH2000PTC128723	Subsidiary	69.00	2(87)(ii)
5	Mazda Estates Private Limited	3 rd Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051	U70100MH2004PTC136339	Subsidiary	100.00	2(87)(ii)
6	Privilege Power and Infrastructure Private Limited	3 rd Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	U65990MH1984PTC033927	Subsidiary	100.00	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3,66,59,115	-	3,66,59,115	8.45	3,66,59,115	-	3,66,59,115	8.45	0
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	11,18,94,645	-	11,18,94,645	25.78	11,18,94,645	-	11,18,94,645	25.78	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other Promoter's Relatives	97,97,506	-	97,97,506	2.26	97,97,506	-	97,97,506	2.26	0
Sub-total (A)(1)	15,83,51,266	-	15,83,51,266	36.49	15,83,51,266	-	15,83,51,266	36.49	0
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	15,83,51,266	-	15,83,51,266	36.49	15,83,51,266	-	15,83,51,266	36.49	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	54,80,094	-	54,80,094	1.26	2,34,27,000	-	2,34,27,000	5.40	4.14
b) Banks/FI	5,62,783	-	5,62,783	0.13	37,24,002	-	37,24,002	0.86	0.73
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,47,857	-	1,47,857	0.03	1,47,857	-	1,47,857	0.03	0.00
g) FIs	19,46,96,034	-	19,46,96,034	44.86	7,71,77,080	-	7,71,77,080	17.78	(27.08)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others:	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	20,08,86,768	-	20,08,86,768	46.29	10,44,75,939	-	10,44,75,939	24.07	(22.21)
2. Non-Institutions									
a) Bodies Corp.: Indian	1,30,40,866	65	1,30,40,931	3.00	4,21,03,701	0	4,21,03,701	9.70	6.7
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	4,59,59,886	42,671	4,60,02,557	10.60	9,36,36,874	24,415	9,36,61,289	21.58	10.98
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	97,73,364	12,857	97,86,221	2.25	2,93,81,786	12,857	2,93,94,643	6.77	4.52
c) Others (specify)									
Non Resident Indians	15,98,450	-	15,98,450	0.37	28,37,519	-	28,37,519	0.65	0.29
Directors other than Promoter Director and their Relatives	47,378	3,857	51,235	0.01	-	3,857	3,857	0.00	(0.01)
Overseas Corporate Bodies	13	-	13	0.00	13	-	13	0.00	0
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	39,27,948	-	39,27,948	0.91	25,06,091	-	25,06,091	0.58	(0.18)
Trusts	5,658	-	5,658	0.00	6,460	-	6,460	0.00	0.00
Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	7,47,06,502	59,450	7,47,65,952	17.23	17,11,35,652	41,129	17,11,76,781	39.44	22.21
Total Public Shareholding (B)=(B)(1)+ (B)(2)	27,55,93,270	59,450	27,56,52,720	63.51	27,56,11,591	41,129	27,56,52,720	63.51	0.00
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	43,39,44,536	59,450	43,40,03,986	100.00	43,39,62,857	41,129	43,40,03,986	100.00	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mr. Rakesh Kumar Wadhawan	1,75,00,000	4.03	-	1,75,00,000	4.03	-	0.00
2	Mr. Sarang Wadhawan	1,91,59,115	4.41	-	1,91,59,115	4.41	-	0.00
3	Mrs. Malti Rakesh Kumar Wadhawan	81,00,000	1.87	-	81,00,000	1.87	-	0.00
4	Mrs. Anjana Rameshchandra Sakhuja	11,37,142	0.26	-	11,37,142	0.26	-	0.00
5	Mrs. Anu Sarang Wadhawan	5,03,222	0.12	-	5,03,222	0.12	-	0.00
6	Mrs. Nikita Trehan	57,142	0.01	-	57,142	0.01	-	0.00
7	Interactive Multi Media Technologies Private Limited	3,00,27,300	6.92	-	3,00,27,300	6.92	-	0.00
8	Dheeraj Consultancy Private Limited	2,85,22,630	6.57	-	2,85,22,630	6.57	-	0.00
9	Dinshaw Trapinex Builders Private Limited	2,85,22,629	6.57	-	2,85,22,629	6.57	-	0.00
10	Privilege Distilleries Private Limited	2,48,22,086	5.72	-	2,48,22,086	5.72	-	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
There was no change in the Promoters' Shareholding during the year.					

(iv) Shareholding Pattern of top ten Shareholders:

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total shares of the Company
Orbis Sicav Emerging Markets Equity Fund	3,29,90,632	9.05	(62,02,020)	Sale	2,67,88,612	6.17
Merrill Lynch Markets Singapore PTE. Ltd.	1,06,53,628	2.45	(51,65,842)	Sale	54,87,786	1.26
Vanguard Emerging Markets Stock Index Fund	43,40,157	1.00	5,37,072	Purchase	48,77,229	1.12
Emerging markets core equity portfolio (The Portfolio) of DFA investment dimensions Group INC. (DFAIDG)	38,24,905	0.88	-	-	38,24,905	0.88
Ishares Core Emerging Markets Mauritius Co.	23,40,219	0.54	13,66,898	Purchase	37,07,117	0.85
Vanguard Total International Stock Index Fund	32,06,221	0.74	3,78,859	Purchase	35,85,080	0.83
Dimensional Emerging Markets Value Fund	9,08,887	0.21	18,10,413	Purchase	27,19,300	0.63
ICICI Prudential Equity Arbitrage Fund	26,56,000	0.611	62,000	Purchase	27,18,000	0.63
Reliance Capital Trustee Co. Ltd-A/c Reliance Arbitrage Advantage Fund	-	-	26,82,000	Purchase	26,82,000	0.62
Finquest Securities Pvt. Ltd.	-	-	26,50,000	Purchase	26,50,000	0.61

Note: Top ten shareholders of the Company as on March 31, 2018, has been considered for the above disclosure.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year (As at 31st March, 2017)		Date wise Increase/ (Decrease) in Shareholding during the year	Increase/ (Decrease) in Shareholding	Reason	Shareholding at the end of the year (As at 31 st March, 2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
Director								
1	Mr. Rakesh Kumar Wadhawan	1,75,00,000	4.03	-	-	-	1,75,00,000	4.03
2	Mr. Sarang Wadhawan	1,91,59,115	4.41	-	-	-	1,91,59,115	4.41
3	Mr. Lalit Mohan Mehta	-	-	-	-	-	-	-
4	Mr. Raj Kumar Aggarwal	-	-	-	-	-	-	-
5	Mrs. Sandhya Baliga	-	-	-	-	-	-	-
6	Mr. Hazari Lal	-	-	-	-	-	-	-
Key Managerial Personnel								
7	Mr. Darshan D. Majmudar	-	-	-	-	-	-	-

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,39,37.63	-	-	20,39,37.63
ii) Interest due but not paid	3,97,61.80	-	-	3,97,61.80
iii) Interest accrued but not due	2,76.28	-	-	2,76.28
Total (i+ii+iii)	24,39,75.71	-	-	24,39,75.71
Change in Indebtedness during the financial year				
• Addition	2,77,25.80	-	-	2,77,25.80
• Reduction	2,59,33.59	-	-	2,59,33.59
Net Change	17,92.21	-	-	17,92.21
Indebtedness at the end of the financial year				
i) Principal Amount	18,82,23.52	-	-	18,82,23.52
ii) Interest due but not paid	5,72,12.72	-	-	5,72,12.72
iii) Interest accrued but not due	3,31.68	-	-	3,31.68
Total (i+ii+iii)	24,57,67.92	-	-	24,57,67.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

Note: Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman and Managing Director have not taken any remuneration for the Financial Year 2017-18: **(A)**

B. Remuneration to other directors:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Lalit Mohan Mehta	Mr. Raj Kumar Aggarwal	Mrs. Sandhya Baliga	Mr. Hazari Lal	
	Fee for attending Board/Committee Meetings	2.40	2.00	1.80	1.00	7.20
	Commission	15.25	15.25	15.25	15.25	61.00
	Others, please specify	-	-	-	-	-
	Total (B)	17.65	17.25	17.05	16.25	68.20
	Ceiling as per the Act	₹ 61.02 lacs (Exclusive of any fees payable for attending Board/Committee Meeting) (being 1% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)				
	Total Managerial Remuneration = (A+B)					68.20
	Overall Ceiling as per the Act	₹ 671.22 lacs (being 11% of Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013.)				

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

(₹ in Lacs)

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 14, 2018

Mr. Rakesh Kumar Wadhawan
Executive Chairman
(DIN : 00028573)

FORM NO. MR-3**Secretarial Audit Report**

For the Financial Year ended March 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Housing Development and Infrastructure Limited,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Housing Development and Infrastructure Limited (hereinafter called the Company).

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;

- b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We report that the Company has made preferential allotment of 2,00,00,000 (Two Crore) warrants convertible into equivalent number of equity shares of Rs. 10/- each within 18 months from the date of allotment to Mr. Sarang Wadhawan, the promoter of the Company pursuant to the Special Resolution approved by the members of the Company on December 27, 2017, through Postal Ballot. We further reported that the company has complied with SEBI (Issue of Capital and Disclosure Requirement) Regulation 2009 and all the other act, rules.

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

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

- i. Public / Rights.
- ii. Buy-Back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Act.
- iv. Merger / Amalgamation / Reconstruction etc.
- v. Foreign technical collaborations

For **SG and Associates,**

Suhas Ganpule,
 Proprietor

Date: May 29, 2018
 Place: Mumbai

Membership No: 12122
 C. P. No: 5722

To,
The Members,
Housing Development and Infrastructure Limited,
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SG and Associates,**

Suhas Ganpule,

Proprietor

Practicing Company Secretaries

Membership No: 12122

C. P. No: 5722

Date: May 29, 2018

Place: Mumbai

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

Sr. No.	Requirement	Disclosure		
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year ("F.Y."):	Name of the Director		Ratio
		Mr. Lalit Mohan Mehta		5.40
		Mr. Raj Kumar Aggarwal		5.28
		Mrs. Sandhya Baliga		5.22
		Mr. Hazari Lal		4.97
		Note: Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman and Managing Director have not taken any remuneration for the F. Y. 2017-18.		
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the F.Y.:	Name of the Director		Category
		Mr. Lalit Mohan Mehta	Director	% increase/decrease
		Mr. Raj Kumar Aggarwal	Director	(48.58)
		Mrs. Sandhya Baliga	Director	(51.17)
		Mr. Hazari Lal	Director	(50.90)
		Mr. Darshan D. Majmudar	CFO & CS	(52.79)
		Note: - There was no per se increment or any increase in the remuneration of the Directors of the Company. Non-Executive Directors of the Company are paid commission up to 1% of the net profit of the Company subject to maximum amount of ₹ 1,81,81,000 and hence the change in remuneration is due to change in the Composition of Board of Directors and revision of Maximum limit of Commission payable. - Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman and Managing Director have not taken any remuneration for the F.Y. 2017-18.		
3	The percentage increase in the median remuneration of employees in the F.Y.:	There is 6.62% decrease in median remuneration of employees in F.Y. 17-18.		
4	The number of permanent employees on the rolls of company:	As on March 31, 2018, there were 426 employees on the rolls of Company.		
5	The explanation on the relationship between average increase in remuneration and company performance	The Net Profit for the F.Y. ended March 31, 2018, decreased to 45.60% whereas median employee is remuneration decreased to 6.61%.		
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.		

1. INDUSTRY - STRUCTURE AND DEVELOPMENTS:

A. INDIAN ECONOMY – AN OVERVIEW:

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

India's rank in the Global House Price Index has jumped 13 spots to reach the ninth position among 55 international markets, on the back of increasing prices in mainstream residential sector. New housing launches across top seven cities in India increased 27 per cent year-on-year in January-March 2018. The Indian real estate market is expected to touch US\$ 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020.

Demonetisation (or note ban) did have dampening effects on the economy. However, even as its negative impact was fading by the time 2017-18 began, the announcement of another reforms or "disruption" — the **Goods and Services Tax ("GST")**, which was to be implemented by July 1, 2017, shock the economy and businesses. The Financial year 2017-18, the GST came into effect from July 1, 2017 through the implementation of One Hundred and First Amendment of the Constitution of India by the Indian government. The tax replaced existing multiple cascading taxes levied by the central and state governments. The tax rates, rules and regulations are governed by the GST Council which consists of the finance ministers of center and all the states. GST is meant to replace a slew of indirect taxes with a unified tax and is therefore expected to reshape the country's 2.4 trillion dollar economy, but not without criticism.

The result of these two reforms was evident as the Gross Domestic Product (GDP) growth came crashing down to a three-year low of 5.7 per cent in the first quarter of 2017-18. It was largely because of pre-GST jitters and lingering effects of demonetisation. The economy did recover thereafter to 6.5 per cent in the second quarter and to 7.2 per cent in the third quarter. Overall, the economy is now projected to grow 6.6 per cent in 2017-18 by the second advance estimates, a bit higher than 6.5 per cent, pegged by the first advance estimates.

B. OVERVIEW OF THE REAL ESTATE INDUSTRY:

The Real estate market has been amongst the sectors worst hit by the economic downturn in the year 2017, but as compared to last year the real estate industry has shown the sign of revival and is showing better growth in the year 2018. By introducing regulations like GST, Real Estate (Regulation and development) Act ("**RERA's**") further amendments, Benami Transaction

Prohibition, Real Estate Investment Trusts ("**REITs**"), there is a long-term industrial growth and it also impacts on ease of business by transparency at work. A lot is expected from Government of India ("**GOI**") in the upcoming years to offer some relief in the Real Estate sector which will have positive impact on your Company and its related stakeholders.

The said Regulations compiled with low inflations proposals like deduction in profit for construction of affordable housing, interest subsidy to first time home buyer and reduction in overall interest rates specially for home loans under affordable Finance Housing Scheme, outcome which will contour the Real Estate. With the recent Demonetization the affordable housing segment is benefited and revived as compared to the luxury housing segment as this segment comes under that category of people who are dependent on home loans.

C. GOVERNMENT STANCE:

The Government formalized its vision and investment cycle to empower the bureaucracy to revive the sector. The government has launched its ambitious moto of 'Housing for all by 2022' specially "affordable housing", which encompasses building six crore housing units through public-Private Partnership model recognizing the need to fill up the gap in urban housing. The Government also formalized several initiatives directed towards improving urban infrastructure. It has already identified 100 cities to be developed as Smart Cities under its "The Smart City Project", identified 500 cities for urban rejuvenation under 'Atal Mission for Rejuvenation & Urban Transformation' ("**AMRUT**"), and launched Heritage City Development & Augmentation Yojana ("**HRIDAY**"), which would transform urban infrastructure in 12 Heritage Cities.

Some of the recent initiatives and developments undertaken by the government for Housing Sector are listed below:

- In March 2018, construction of 321,567 additional houses across 523 cities under the Pradhan Mantri Awas Yojana (Urban) has been approved by the Ministry of Housing and Urban Poverty Alleviation, Government of India with an allocation of Rs 18,203 crore.
- In February 2018, the Union Cabinet Committee has approved setting up of National Urban Housing Fund ("**NUHF**") for Rs 60,000 crore (US\$ 9.3 billion) which will help in raising requisite funds in the next four years.

2. OPPORTUNITIES, THREATS & CHALLENGES:

A. OPPORTUNITIES:

Easing of Monetary Norms

The Real Estate Sector performance is directly bound by the country's economic fundamentals and monetary policies. The Reserve Bank of India ("**RBI**") maintained its benchmark repo rate of 6.6 percent during Financial Year 2017-18. (*Repo rate is the rate at which the RBI lends money to commercial banks*) monetary easing initiatives will provide an impetus to housing demand.

Push for Affordable Housing – by giving them “Infrastructure Status”.

The implementation of Real Estate (Regulation and Development) Act, 2016 and by introducing the amendments in said regulation it has been improved confidence of buyers in the sector, as it improved transparency, provided various buyer-friendly measures and encouraged timely completion of projects.

Relaxation in Foreign Direct Investment (“FDI”) norms

India’s FDI in India during 2017-18 stood at US\$ 44.86 billion, indicating that government’s effort to improve ease of doing business and relaxation in FDI norms is yielding results.

REITs

In Union Budget 2018, Centre’s proposal to bring equity shares, units of equity shares, units of equity oriented fund and business trusts under the new Long Term Capital Gains (LTCG) Tax in the Union Budget 2018-19 is likely to push investors’ expectations of healthy returns from REITs higher. Presenting budget in the parliament, Finance Minister has proposed a 10 percent tax on LTCG of over ₹ 1 lakh without indexation benefits.

RERA’s

India has moved up just one spot in the global real estate transparency index from 36 in 2016 to 35 in 2018, despite the implementation of the Real Estate (Regulation And Development) Act or RERA, according to a report by real estate advisory firm Jones Lang LaSalle Inc. (JLL).

RERA was implemented in May 2016 to bring accountability and transparency into the sector. However, unlike a few states such as Maharashtra and Karnataka, several states have been slow in its implementation. India is thus yet to figure among the transparent markets, despite the regulatory changes and the possibility of a REIT listing.

The countries in the top 30 ranks have been defined as transparent markets, while those in the top 10 are categorized as highly transparent, according to the report that comes out every two years. The UK, Australia, the US, France and Canada are the top five countries. The report, however, said that India is one of the 10 countries that have registered maximum improvement in transparency in real estate over the last two years. Since 2014, India has moved up by five spots from 40th in the global real estate transparency index. The index measures transparency based on factors such as data availability, authenticity and accuracy; governance of public agencies as well as stakeholders of the realty sector; transaction processes and costs associated with those; and the regulatory and legal environment, the report said.

The report also pointed out that a rise in private equity (“PE”) investments over the last four years is an indicator of the growing confidence large PE funds have in the Indian market. PE investment in Indian realty has grown every year from \$2.2 billion in 2014 to \$6.3 billion in 2017, according to the report.

“The country’s ranking is likely to improve further in Global Real Estate Transparency Index 2020 mainly on the back of the comprehensive implementation of RERA in all states of India, introduction of insurance policies for land title,

pseudo-ownership of properties weeded out through ‘Benami Transactions Act’ and the sector aligning itself well with GST regime,” it said.

Reference to above, Your Company is a major player in Mumbai Real Estate market with a land reserve of approx. 193 million Sq.ft. as on March 31, 2018, with 90% of its land reserves in Mumbai Metropolitan Region.

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

B. THREATS & CHALLENGES:

Regulatory Hurdles

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

Funding Problems

The RBI has set sectoral caps for the total maximum exposure of banks to real estate, including individual housing loans and lending to developers for construction finance which is quite low and is curtailing the growth of the sector. Absence of long term funding from banks is forcing developers to look at alternative sources of funds, most of which do not offer affordable interest rates.

Shortage of Manpower & Technology

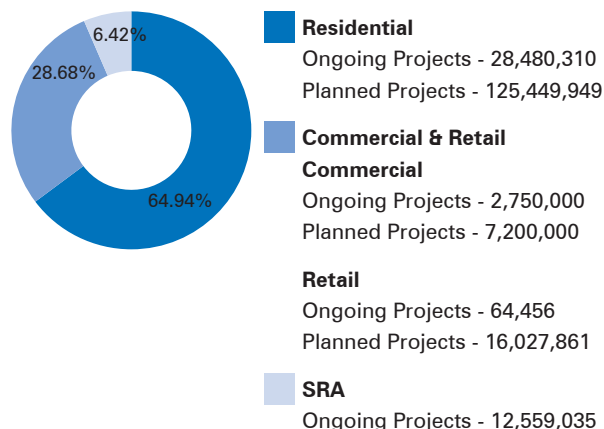
Despite being the third largest employer in the country the construction sector as a whole faces manpower shortage. Further the sector is heavily dependent on manual labour which increases the timelines for construction companies and results in supply getting deferred. Hence, technologically less labour intensive alternative methods of construction need to be adopted on a large scale through training and skill development of manpower.

3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Your Company has managed to improve its registration of project process over the previous year and the Management of your Company is satisfied with the performance during the current financial year, Specially with the registration of all the ongoing projects with the Government of Maharashtra established Maharashtra Real Estate Regulatory Authority (“MahaRERA”). From Company results prospective the major contributor to the profits are project sales, Transfer of Development Rights (“TDR”) and FSI sale which gradually is value addition to the profitability of the Company. Your Company has the most efficient human capital with each team having expertise in its domain.

As on March 31, 2018, the portfolio of your Company comprised of residential component of 64.94%, commercial, retail 6.42% and SRA 28.64%.

HDIL Project Mix – Segment wise Breakup



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

4. OUTLOOK:

Although it's hard to forecast the real estate market that is highly sentiment driven in India, several factors will drive the future trend. With the implementation of RERA 2016 by the states, the year 2018 will see the Indian Real Estate Sector to be more transparent, credible and attractive with only organised players on the ground. Company's major focus will be debt reduction with a plan to reduce it during this fiscal year. The Company will be focusing on project completion and execution along with TDR and FSI sale and to grow stronger over next 3-4 years.

5. RISKS AND CONCERNS:

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

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

6. INTERNAL CONTROL SYSTEMS:

The Company has an adequate system of internal controls to ensure that all assets are protected against loss from unauthorised use or disposal and to ensure all transactions are authorised, recorded and reported correctly. It has in place internal controls covering all fields across all financial and operating functions ranging from procurement of land to smooth execution of projects. Apart from ensuring that proper accounting policies and financial reporting regarding the same is made properly, the internal control team keeps a close watch on the schedules followed, to ensure that the Company is able to meet the delivery deadlines. The audit committees keep reviewing the internal audit reports from time to time and offer suggestions for improvement of internal controls and systems within the Group. The statutory audit of

the Company is conducted by M/s. Rajeswari & Associates., Chartered Accountants who submit their reports to the Board of Directors and Audit Committee.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS PERFORMANCE:

For F.Y. 2017-18, the Company's major focus will be Debt reduction with a plan to reduce it below 15%. The Company will be focusing on project completion along with TDR and FSI sale.

The key components of our strategy will be focused around:

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

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

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Your Company considers its employees as its most important asset; and has created a work environment that ensures their continued well-being. It strongly aligns the organisation's growth with the growth of every individual who is functional in taking the organisation closer to its goals. It aims at attracting, nurturing and retaining the best industry talent; and invests substantial time and energy in maintaining an engaging human resource culture. New employees are trained to make them accustomed to the HDIL culture, while continuing employees are given ample opportunities to explore their talent and capabilities. The Company will continue to expand itself by virtue of its core intellect that resides with human resource. The Company had 426 employees on its rolls as on March 31, 2018, of which 8% of talents are women.

9. CAUTIONARY STATEMENT:

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulations etc.

INTRODUCTION

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the report contains the details of Corporate Governance systems and processes at Housing Development and Infrastructure Limited ("HDIL").

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider our stakeholders as partners in our success and we remain committed to maximizing our stakeholders, employees, suppliers, customers and investors values. Corporate Governance provides a roadmap for a Company, helping the Management of a Company to make decisions based on the rule of law which benefits to stakeholders and practical processes. It allows a Company to set realistic goals and methodologies for attaining those goals by adopting fair and transparent policies and facilitates highest level of lucidity and integrity in the functioning of Company.

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

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

COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

Your Corporate Governance practices are a reflection of our value system encompassing our background, policies and relationships with our stakeholders. Integrity and transparency are keys to our Corporate Governance practices to ensure that we grow and maintain the trust of our stakeholders at all times. The Company is committed to do business in an efficient, responsible, honest and ethical manner. Corporate Governance practice goes beyond compliance and involves a company-wide commitment and has become the integral part of business to ensure fairness, transparency

and integrity of the Management. Good governance responsibilities encompasses the activities of the Board of Directors, who execute their Corporate Governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all stakeholders of the Company, in particular shareholders, employees and our customers in a balanced manner with long term benefits to all.

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

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

BOARD OF DIRECTORS:

A majority of the Board i.e. 6 out of 4 Directors are Independent Directors. The Board of Directors are entrusted with the ultimate responsibility of the Management, general affairs, direction and performance of the Company and have been vested with requisite powers, authorities and duties. The Management of the Company is headed by Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman & Managing Director and has business / functional heads as its Employees, which looks after the Management of the day to day affairs of the Company.

COMPOSITION OF BOARD

The Board of Directors of the Company comprises such number of Executive and Non-Executive Directors as required under applicable legislation. As on March 31, 2018, majority of the Board i.e. 6 out of 4 Directors are Non Executive independent Directors including a Woman Director and comprising of one Executive Chairman, Vice Chairman & Managing Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

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

The Composition of the Board, category of Directors and Directorship / Committee positions in other Companies as on March 31, 2018, is as under:

Name of the Director	Director Identification Number	Category	Other Directorships	Committee positions		Shareholding
				Chairman	Member	
Mr. Rakesh Kumar Wadhawan	00028573	Promoter and Executive Chairman	6	-	-	1,75,00,000
Mr. Sarang Wadhawan	00028608	Promoter and Vice Chairman & Managing Director	4	-	1	1,91,59,115
Mr. Lalit Mohan Mehta	00458975	Non-Executive Independent Director	-	-	-	-
Mr. Raj Kumar Aggarwal	02034914	Non-Executive Independent Director	-	-	-	-
Mrs. Sandhya Baliga	07015987	Non-Executive Independent Director	-	-	-	-
Mr. Hazari Lal	06696100	Non-Executive Independent Director	-	-	-	-

Note:

- The Directorship held by Directors as stated above does not include Alternate Directorships, foreign companies Directorships, Companies registered under section 8 of the Act, Private limited Companies and Company subject to proceeding under the Insolvency and Bankruptcy Code, 2016.
- In accordance with the Regulation 26 of Listing Regulations, Membership / Chairmanship of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (Excluding Housing Development and Infrastructure Limited) have been considered.

Board Meetings:

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

Sr. No.	Name of the Director	Category	Number of Board Meetings		Last AGM 29/09/2017
			Held	Attended	
1	Mr. Rakesh Kumar Wadhawan	Promoter and Executive Chairman	4	4	Yes
2	Mr. Sarang Wadhawan	Promoter and Vice Chairman & Managing Director	4	4	Yes
3	Mr. Lalit Mohan Mehta	Non-Executive Independent Director	4	4	No
4	Mr. Raj Kumar Aggarwal	Non-Executive Independent Director	4	4	Yes
5	Mrs. Sandhya Baliga	Non-Executive Independent Director	4	4	Yes
6	Mr. Hazari Lal	Non-Executive Independent Director	4	4	No

Meetings:

During the period under review, 4 (Four) Board Meetings were held on May 30, 2017, August 11, 2017, November 14, 2017 and February 14, 2018.

The gap between any two consecutive Meetings did not exceed One Hundred and Twenty days.

BOARD PROCEDURES:

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

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

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

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

Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan share the relationship of father and son. Except Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan, none of the Directors and Key Managerial Personnel ("KMP") of the Company holds inter-se relationships during the F.Y. 2017-18.

INDEPENDENT DIRECTORS' MEETING:

Pursuant to Clause VII of the Code for Independent Directors, Schedule IV to the Act and Regulation 25(3) of the Listing Regulations, the Meeting of Independent Directors of the Company was held on March 31, 2018 and the following matters were discussed:

- the performance of Non-Independent Directors and the Board of Directors as a whole;
- the performance of the Executive Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

- the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties and
- corporate governance practices followed by the Company.

COMMITTEES OF DIRECTORS

In compliance with the Listing Regulations (both mandatory and non-mandatory) and the Act, as on March 31, 2018, the Board has six committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee ("CSR Committee") and Finance Committee.

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

AUDIT COMMITTEE:

i. Composition and Attendance:

The Audit Committee comprises of experts specialized in Accounting and Financial Management. The Chairperson of the Audit Committee is a Non-Executive Independent Director. The composition of the Audit Committee, as on March 31, 2018, is as under:

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

Meetings:

During the period under review, 4 (four) Audit Committee Meetings were held on May 30, 2017, August 11, 2017, November 14, 2017 and February 14, 2018.

The Chief Financial Officer & Company Secretary has regularly attended the Audit Committee Meetings except the meeting held on November 14, 2017 due to illness. The Managing Director, Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings.

ii. Terms of reference:

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory and Internal Auditors, one-on-one Meeting with Statutory and Internal Auditors, recommendation for

the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, review of Business Risk Management Plan, Management Discussions and Analysis, review of Internal Audit Reports, significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. In fulfilling above role, Audit Committee has powers to investigate any activity within terms of reference, to seek information from employees and to obtain outside legal and professional advice.

NOMINATION AND REMUNERATION COMMITTEE:

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

i. Composition:

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

Sr. No.	Name of the Director	Category	Designation	Number of Meetings	
				Held	Attended
1	Mr. Lalit Mohan Mehta	Chairman	Non-Executive Independent Director	1	1
2	Mr. Raj Kumar Aggarwal	Member	Non-Executive Independent Director	1	1
3	Mr. Hazari Lal	Member	Non-Executive Independent Director	1	1

Meetings:

During the period under review, the Committee has met on May 30, 2017.

Terms of Reference:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing Director, Whole-Time Director and Senior Management.
- To help in determining the appropriate size, diversity and composition of the Board.
- To recommend to the Board appointment and removal of Director.
- To frame criteria determining qualifications, positive attributes and independence of Directors.
- To recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Act, is to be considered).
- To create an evaluation framework for Independent Directors and the Board.

- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors.
- To assist in developing a succession plan for the Board.
- To assist the Board in fulfilling responsibilities entrusted from time to time.
- Delegation of any of its power to any Member of the Committee or the Compliance Officer.

iv. Performance Evaluation Criteria for Directors:

The criterion for performance evaluation is as under:

Role of Accountability:

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

Objectivity:

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

Leadership and Initiative:

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

Personal Attributes:

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

Nomination and Remuneration Policy:

The Company has in place a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel and the policy is annexed as "Annexure D".

The details of remuneration of Non-Executive Directors during the F.Y. 2016-17:

(₹ in Lacs)

Sr. No.	Director	Remuneration paid during F.Y. 2017-18		
		Sitting fees	Commission**	Total
1	Mr. Lalit Mohan Mehta	2.40	15.25	17.65
2	Mr. Raj Kumar Aggarwal	2.00	15.25	17.25
3	Mr. Hazari Lal	1.00	15.25	16.25
4	Mrs. Sandhya Baliga	1.80	15.25	17.05

***Subject to the approval of Annual Accounts for the F.Y. 2017-18 by the Members at 22nd AGM to be held on September 29, 2018. None of the Non-Executive Directors has any pecuniary interest in the Company, except for Sitting Fees and Commission.*

***Mr. Rakesh Kumar Wadhawan, Executive Chairman and Mr. Sarang Wadhawan, Vice Chairman & Managing Director have not taken any remuneration for the F.Y. 2017-18.*

STAKEHOLDERS RELATIONSHIP COMMITTEE:

This Committee is in place to specifically look into issues relating to redressal of the investors / shareholders complaints including complaints relating to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends and / or any other matter relating to investors / shareholders. The role and terms of reference of the committee cover the area as contemplated under Regulation 20 read with Part D of Schedule II of listing regulations and section 178 of the Act, as applicable, besides other terms as referred by the Board of Directors.

Composition:

The composition of the Stakeholders Relationship Committee is as under:

Name of the Director	Category	Designation	Number of Meetings	
			Held	Attended
Mr. Lalit Mohan Mehta	Chairman	Non-Executive Independent Director	1	1
Mr. Sarang Wadhawan	Member	Vice Chairman & Managing Director	1	1

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

Details of Compliance Officer:

Name and Designation of the Compliance Officer	Mr. Darshan D. Majmudar Chief Financial Officer & Company Secretary
Address & Contact details	9-01, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051 Tel.: +91 22 6788 9000, Fax: +91 22 6788 9090
E-mail id	darshan.majmudar@hdil.in

Meetings:

During the period under review, the Committee has met on May 30, 2017.

Terms of reference:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Approve issue of the Company's duplicate share / debenture certificates.

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

Investors' Complaints:

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

The detail of complaints received, cleared / pending during the F.Y. 2017-18 is as under:

No. of complaints received	:	50
No. of complaints resolved	:	50
No. of complaints withdrawn	:	Nil
No. of complaints pending	:	Nil

** During the financial year 2017-18, the Company has received 50 queries through e-mails and all of these queries were answered appropriately.*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition:

The composition of CSR Committee is pursuant to the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to Provisions of Section 135 of the Act, the Company was required to spend ₹ 1,477.23 Lacs during the F.Y. 2017-18. The composition of the CSR Committee is as under:

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

Meetings:

During the period under review, the Committee has met on May 30, 2017.

Terms of reference:

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

FINANCE COMMITTEE:

Composition:

The composition of the Finance Committee is as under:

Name of Member	Designation	Category	Number of Meetings	
			Held	Attended
Mr. Rakesh Kumar Wadhawan	Chairman	Executive Chairman	8	8
Mr. Sarang Wadhawan	Member	Vice Chairman & Managing Director	8	8

Meetings:

During the period under review, the Committee met 8 (Eight) times on May 22, 2017, August 10, 2017, October 25, 2017, December 16, 2017, January 12, 2018, March 9, 2018 and March 23, 2018.

Terms of reference:

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

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

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

GENERAL BODY MEETINGS:

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

Financial Year	Location	Day and Date	Time
2016-17	Mumbai Cricket Association Recreation Centre (MCA), G-Block, G-2, Near Laxmi Towers, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Friday, September 29, 2017	11:00 a.m.
2015-16	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C / 1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Thursday, September 29, 2016	11:00 a.m.
2014-15	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C / 1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Wednesday, September 30, 2015	11:00 a.m.

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

AGM Date	Brief particulars of the Resolution
29.09.2017	1. Ratify the remuneration to Cost Auditors. 2. Consider preferential Allotment of Convertible Warrants 3. Fund raising programme of the Company not exceeding USD 150 million. 4. Consider payment of commission to Non-Executive Directors. 5. Re-appoint of Mr. Rakesh Kumar Wadhawan as Whole Time Director, Designated as Executive Chairman.
29.09.2016	1. Fund raising Programme of the Company.
30.09.2015	1. Fund raising Programme of the Company. 2. Alteration of Capital Clause contained in the Memorandum of Association.

Resolutions Passed through Postal Ballot:

During the period under review, Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014 (including and statutory amendments or re enactments made thereunder); Your Company passed the following resolution through postal ballot as per the details below:

Special resolution under section 62(1) (c), 42 and other applicable provisions of the Companies Act, 2013 and rules made thereunder to approve the issue of 2,00,00,000 (Two Crores only) Warrants, convertible into equivalent number of Equity Shares of ₹ 10/- each to Mr. Sarang Wadhawan, Promoters of the Company on preferential basis at a price which shall not be less than the minimum price as may be arrived at in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), as amended from time to time.

- Mr. S. Anand SS Rao (FCS No. 5716 and CP No. 5687), Practicing Company Secretary was appointed as the Scrutiniser for carrying out the postal ballot process in a fair and transparent manner.
- The Company had completed the dispatch of the Postal Ballot Notice dated November 11, 2017 together with the explanatory statement on Monday, November 27, 2017 along with forms and postage prepaid business reply envelopes to all the shareholders whose name (s) appeared on the Register of Member / list of beneficiaries as on Friday, November 17, 2017.
- The voting under the postal ballot was kept open from 9:00 A.M. (IST) on Tuesday, November 28, 2017 to 5:00 P.M. (IST) on Wednesday, December 27, 2017 (either physically or through electronic mode).
- All postal ballots from, received / receivable on or before 5:00 P.M. (IST) on Wednesday, December 27, 2017, the last date and time fixed by the Company for receipt of the forms, had been considered for security or voting purpose.
- On Thursday, December 28, 2017 at 5:00 P.M. (IST) the results of the postal ballot as per the scrutinizers report was announced and declared that the above special resolution was passed with requisite majority, 99.95% of votes constituting 23,78,09,394 Equity Shares were in favour to the resolution and 0.74% of votes constituting 1,18,223 equity shares were against the resolution.

MEANS OF COMMUNICATION

- Quarterly results:

The newspapers wherein results are normally published:

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

- The following information is also promptly displayed on the Company's website www.hdil.in. Financial Results, Shareholding Pattern, Annual Report and the Presentations,

as and when made, to the media and analysts in the 'Investor Relations' Section and 'Corporate Governance' Section.

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

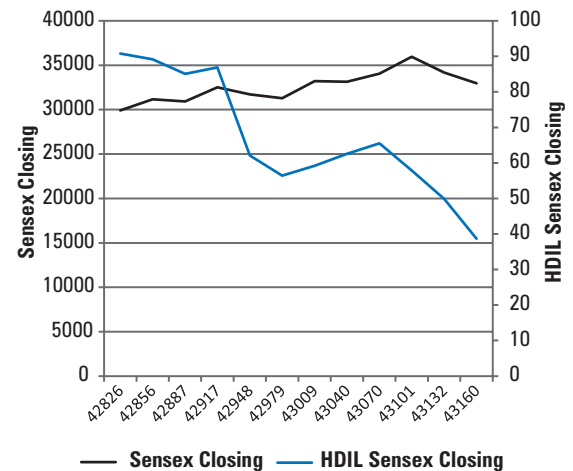
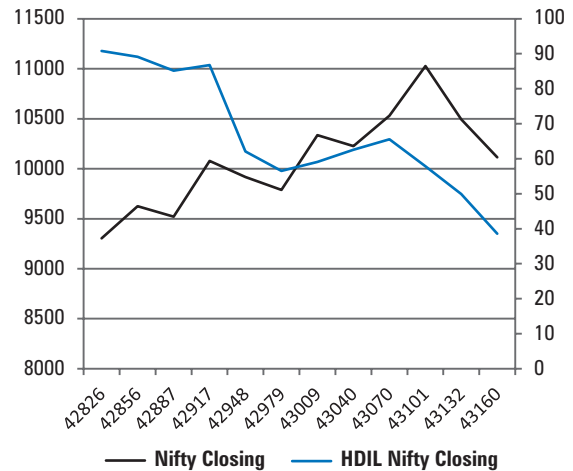
GENERAL SHAREHOLDERS INFORMATION:

AGM date, venue and time	September 29, 2018, Mumbai Cricket Association Recreation Centre (MCA), G – Block, G-2, Near Laxmi Towers, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 At 11:00 a.m.
Financial year	April 1 to March 31
Dividend Payment Date	N.A.
Listing on Stock Exchanges	1. Bombay Stock Exchange ("BSE") - Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. 2. National Stock Exchange of India ("NSE") - Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
Scrip Code at BSE	532873
Symbol Code at NSE	HDIL
ISIN of the Equity Share of the Company	INE191101012
Listing Fees	The Company has paid annual listing fees for the year 2018-19 to BSE Limited and National Stock Exchange of India Limited.
Date of Book Closure:	Saturday, September 22, 2018 to Saturday, September 29, 2018
Plant Location(s)	N.A.
Corporate Identification Number	L70100MH1996PLC101379

Market price data:

Month	Stock Exchange							
	BSE				NSE			
	Share Price		Sensex		Share Price		Nifty	
	High	Low	High	Low	High	Low	High	Low
	(in ₹)	(in ₹)	(in ₹)	(in ₹)	(in ₹)	(in ₹)	(in ₹)	(in ₹)
April, 2017	96.80	81.40	30184.22	29241.28	96.80	81.25	9367.15	9075.15
May, 2017	101.85	81.60	31220.38	29804.12	101.80	81.55	9637.75	9269.90
June, 2017	96.15	83.90	31522.87	30680.66	96.20	83.75	9709.30	9448.75
July, 2017	90.40	83.60	32672.66	31017.11	90.30	82.60	10114.85	9543.55
August, 2017	87.60	45.10	32686.48	31128.02	87.70	47.00	10137.85	9685.55
September, 2017	67.80	53.85	32524.11	31081.83	67.85	53.80	10178.95	9687.55
October, 2017	60.30	53.45	33340.17	31440.48	60.30	53.55	10384.50	9831.05
November, 2017	66.25	56.05	33865.95	32683.59	66.25	56.10	10490.45	10094.00
December, 2017	66.60	48.10	34137.97	32565.16	66.70	48.30	10552.40	10033.35
January, 2018	69.05	57.40	36443.98	33703.37	69.15	57.35	11171.55	10404.65
February, 2018	59.15	48.20	36256.83	33482.81	59.10	48.00	11117.35	10276.30
March, 2018	50.35	38.35	34278.63	32483.84	50.35	38.30	10525.50	9951.90

Closing Value of HDIL Scrip on NSE and Nifty 50 Index



Debenture Trustee:

IDBI Trusteeship Services Limited
 Asian Building, Ground Floor,
 17, R. Kamani Marg, Ballard Estate,
 Mumbai – 400 001
 Tel No.: +91 22 4080 7000
 Fax: +91 22 6631 1776
 Email id: itsl@idbitrustee.com

Registrar and Share Transfer Agent:

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32,
 Financial District, Gachibowli, Nanakramguda, Serilingampally
 Mandal,
 Hyderabad - 500 032, India
 Tel: +91 040 6716 1500; Fax: +91 040 2300 1153;
 Toll Free Number: 1800 3454001;
 e-mail: einward.ris@karvy.com
 Website: www.karvy.com

Share Transfer System:

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

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

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

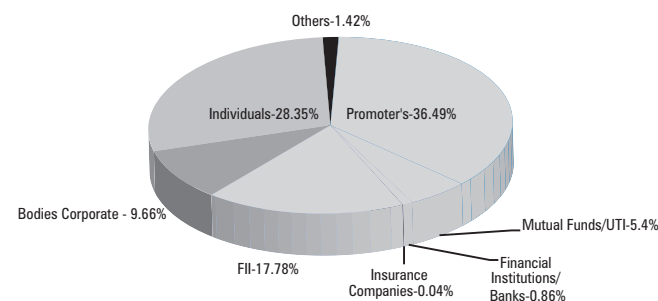
Distribution of Shareholding as on March 31, 2018:

Shareholding of nominal value	Shareholders		Share Amount	
	Number	% to Total	Amount in ₹	% to Total
Up to – 5000	2,13,516	83.71	2,76,32,760	6.37
5001 – 10000	20,612	8.08	1,66,36,746	3.83
10001 – 20000	10,761	4.22	1,65,12,452	3.80
20001 – 30000	3,632	1.42	93,41,995	2.15
30001 – 40000	1,593	0.62	57,63,726	1.33
40001 – 50000	1,401	0.55	66,43,643	1.53
50001 – 100000	1,997	0.78	1,46,12,803	3.37
100001 and above	827	0.32	1,19,92,342	2.76
TOTAL	2,55,057	100.00	43,40,03,986	100.00

Shareholding Pattern as on March 31, 2018:

Sr. No.	Category of Shareholder	Number of Shares	Percentage
(A)	PROMOTER'S HOLDING		
(1)	Indian	15,83,51,266	36.49
(2)	Foreign	-	-
	Total A=A(1)+A(2)	15,83,51,266	36.49
(B)	NON PROMOTER'S HOLDING		
(1)	INSTITUTIONS		
(a)	Mutual Funds / UTI	2,34,27,000	5.40
(b)	Financial Institutions / Banks	37,24,002	0.86
(c)	Insurance Companies	1,47,857	0.04
(d)	Foreign Institutional Investors	7,71,77,080	17.78
(2)	NON-INSTITUTIONS		
(a)	Bodies Corporate	4,19,25,366	9.66
(b)	Individuals	12,30,55,932	28.35
(c)	Others		
	Non Resident Indians	35,00,727	0.80
	Trusts	6,460	0.00
	Overseas Corporate Bodies	13	0.00
	Clearing Members	25,06,091	0.58
	NBFCs registered with RBI	1,78,335	0.04
	Total B=B(1)+B(2)	27,56,52,720	63.51
	GRAND TOTAL (A+B)	43,40,03,986	100.00

SHARE HOLDING PATTERN



Dematerialization of shares and liquidity:

As at March 31, 2018, 99.99% of shareholding aggregating to 43,39,62,857 shares were held in dematerialized form with NSDL and CDSL, while 0.01 % aggregating to 41,129 shares were held in physical form.

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

As on March 31, 2018, Company had allotted 2,00,00,000 Convertible Warrants having option to apply for and be allotted equivalent number of equity shares of the face value of ₹ 10/- each at a premium of Rs.60.50 to Mr. Sarang Wadhawan, Promoter of the Company which is yet to be converted. Other than this there are no outstanding GDRs / ADRs or any convertible instruments likely to have an impact on the Equity Share Capital of the Company.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company is subject to commodity price risk like any other industry. Moreover, since the Company procures all the input commodities used in the production of goods and generation of services from third parties, it is all the more subject to risk and rewards of price variations. The Company is, to a certain extent, able to manage the risks of adverse price movements by giving all inclusive construction contracts, with a built in mechanism for moderation of any substantial price movement of key components of the contract. In respect of contract for finishing and facade items, the commodity / hedging market for these items is not fully developed and the Company keeps on evaluating on continuous basis opportunities for price risk minimisations. In respect of inward remittances from eligible overseas buyers of the residential units constructed by the Company, all billing is in INR and hence the Company is immune to foreign exchange risk on this account.

Address for Correspondence:

Housing Development and Infrastructure Limited
9-01, HDIL Towers, Anant Kanekar Marg,
Bandra (East), Mumbai – 400051
Tel.: +91 22 6788 9000,
Fax: +91 22 6788 9090
E-mail ID – info@hdil.in

DISCLOSURES:

• Materially significant related party transactions:

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

No. 37 of the Notes to the Financial Statement for the F.Y. ended March 31, 2018.

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

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

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

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

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

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

• **Policy for determining Material Subsidiaries:**

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

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

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

• **Familiarization Programme:**

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

and familiarization programme aims to provide insights into the Company to enable Independent Directors to understand the business, functionalities and other matters.

The induction process is designed to:

- build an understanding of the Company, its businesses and the markets and regulatory environment in which it operates;
- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively and
- develop understanding of Company's people and its key stakeholder relationships.

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

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

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

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

- a. **The Board:** As per para A of Part E of Schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.
- b. **Shareholders Rights:** We display our quarterly, half yearly and annual results on our website www.hdil.in and also publish our results in widely circulated newspapers. The complete Annual Report is sent to every Shareholder of the Company.
- c. **Modified opinion(s) in audit report:** The Statutory Auditors have issued an unqualified opinion on the financial statements of the Company.
- d. **Separate posts of Chairman and Chief Executive Officer:** The position of the Chairman and the Managing Director is separate.
- e. **Reporting of internal auditor:** The Internal Auditor reports to the Audit Committee.

• **Statutory Compliance and Penalties:**

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

For and on behalf of the Board of Directors

Mr. Rakesh Kumar Wadhawan
Executive Chairman
 (DIN : 00028573)

Place: Mumbai
 Date: May 30, 2018

DECLARATION BY THE MANAGING DIRECTOR

I, Sarang Wadhawan, Vice Chairman & Managing Director of Housing Development and Infrastructure Limited, hereby declare that all the Members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended March 31, 2018.

Place: Mumbai
Date: May 30, 2018

Sarang Wadhawan
Vice Chairman & Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of Housing Development and Infrastructure Limited

We have examined all the relevant records of Housing Development and Infrastructure Limited ("**the Company**") for the purpose of certifying compliance of the conditions of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR**") from the period April 1, 2017 to March 31, 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

for **M/s. Rajeswari & Associates**

Chartered Accountants

Firm Registration Number - 123005W

Ms. SVN Rajeswari

Proprietor

Membership No. 112940

Place: Mumbai

Date: May 30, 2018

NOMINATION AND REMUNERATION POLICY

PREAMBLE

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

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

OBJECT AND PURPOSE

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

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

APPLICABILITY AND GOVERNING LAW

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

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being as well as Clause 49 of the Listing Agreement or such other Rules/Regulations, as may

be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are reenactments (whether with or without modification).

DEFINITIONS

In this policy unless the context otherwise requires:

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

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

"Company" means Housing Development and Infrastructure Limited.

"Directors" means Directors of the Company.

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

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

- Identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;

- Devising a policy on Board diversity;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors and
- Decide/approve details of fixed components and performance linked incentives along with criteria.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

i. Appointment criteria and qualifications:

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

ii. Term/Tenure:

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

iii. Evaluation:

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

iv. Removal:

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

v. Retirement:

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

REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT

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

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

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

Fixed pay:

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

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to

its Whole-time Director/Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration:

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

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

Remuneration/Commission:

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

Sitting Fees:

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

Commission:

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

Stock Options:

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

REVIEW

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

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

We have audited the accompanying standalone Ind AS financial statements of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and the statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information. **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flow of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and Order issued under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018 and its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Rajeswari & Associates,
Chartered Accountants
Firm Registration No: 123005W

SVN Rajeswari
Partner
Membership No.: 112940

Place : Mumbai
Date : 30th May, 2018

"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the standalone Ind AS financial statements for the year ended on 31st March, 2018 of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management in a phased manner, over a period of one year, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable property are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) of Paragraph 3 of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2016 prescribed by the Central Government under Section 148 (1) of the Act and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service-Tax, VAT, Goods and Sales Tax, Cess and other material applicable statutory dues have generally been regularly deposited with the appropriate authorities and as on 31st March, 2018, no such dues were outstanding for a period of more than six months from the date they became payable except for the following:-

Nature of dues (including interest)	Amount (₹ in Lakhs)
TDS	1,188.24
Service Tax	158.79
MVAT	342.48
ESIC, PF and PT	507.30
Goods and Service Tax	335.11

- (b) According to the information and explanations given to us, there are dues of Income Tax which have not been deposited with the appropriate authorities on account of dispute.

Name of The Statute	Nature of Dues	Forum where the Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	CIT Appeals Mumbai	FY 2008-09	2,362.05	2,362.05
			FY 2009-10	21,483.21	21,483.21
			FY 2010-11	35,396	35,340
			FY 2011-12	1,400	1,400
			FY 2012-13	29,146	29,146
			FY 2013-14	7,404	7,404
Income Tax Act, 1961	TDS	CIT Appeals Mumbai	FY 2014-15	13,728	13,728
			FY 2014-15	128.90	128.90
			FY 2015-16	90.31	90.31

- (viii) Based on our Audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of loans and interest to banks and financial institutions. Unpaid overdue interest and principal to banks and financial institutions as at 31st March, 2018 is aggregated to ₹ 2293.86 crores. The overdue relates to the Financial Years 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18.
- (ix) The Company has not raised funds through initial public offer or further public offer (including debt instruments) and term loans during the financial year.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) Managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company as specified by the Act and hence the provisions under clause (xii) of the Paragraph 3 of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Act, and where applicable the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has issued 2 crores Convertible Warrants having option to apply for and be allotted equivalent number of equity shares of face value of Rs.10 each at a premium of ₹ 60.50 to Mr. Sarang Wadhawan, Promoter of the Company and accordingly all compliances of section 42 of the Act have been complied with. The amount raised through preferential allotment has been used for the purpose for which they have been raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Rajeswari & Associates,
Chartered Accountants
Firm Registration No: 123005W

SVN Rajeswari
Proprietor
Membership No.: 112940

Place : Mumbai
Date : 30th May, 2018

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

We have audited the internal financial controls over financial reporting of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rajeswari & Associates,**
Chartered Accountants
Firm Registration No: 123005W

SVN Rajeswari
Proprietor
Membership No.: 112940

Place : Mumbai
Date : 30th May, 2018

BALANCE SHEET AS AT

(₹ in Lacs)			
Particulars	Note No.	31 st March, 2018	31 st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	11,119.08	11,605.34
Investment Property	3	10,626.72	10,816.03
Other Intangible assets	4	9.72	17.24
Financial Assets			
Investments	5	1,08,320.55	1,09,100.55
Others	6	848.11	80.16
Current assets			
Inventories	7	12,26,483.15	11,64,457.88
Financial Assets			
Investments	8	101.58	101.58
Trade receivables	9	38,243.65	26,194.97
Cash and cash equivalents	10	315.80	377.18
Bank balances other than (iii) above	11	11,267.00	11,028.54
Others	12	7,892.66	9,675.74
Other current assets	13	2,06,502.42	2,41,874.05
Total Assets		16,21,730.44	15,85,329.26
EQUITY AND LIABILITIES			
Equity Share capital	14	43,400.40	43,400.40
Other Equity	15	11,02,479.44	10,88,651.17
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	16	17,714.95	1,08,386.38
Other financial liabilities	17	324.12	416.77
Provisions	18	368.14	332.17
Deferred tax liabilities (Net)	19	3,008.72	3,247.14
Current liabilities			
Financial Liabilities			
Borrowings	20	1,52,889.08	84,406.35
Trade payables	21	45,708.59	45,780.81
Other financial liabilities	22	93,177.75	73,726.41
Other current liabilities	23	1,49,617.56	1,20,283.09
Provisions	24	360.93	405.04
Current Tax Liabilities (Net)	25	12,680.76	16,293.53
Total Equity and Liabilities		16,21,730.44	15,85,329.26
Accounting Policies	1		
(The accompanying notes form an integral part of the financial statements.)			

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in Lacs)

Particulars	Note No.	31 st March, 2018	31 st March, 2017
I Revenue From Operations	26	38,775.07	71,081.02
II Other Income	27	1,461.99	3,536.71
III Total Income (I+II)		40,237.06	74,617.73
IV EXPENSES			
Cost of materials consumed	28	35,321.28	59,811.23
Changes in inventories of finished goods and work-in-progress	29	(34,345.98)	(45,935.99)
Employee benefits expense	30	3,081.84	3,791.75
Finance costs	31	26,786.35	30,018.19
Depreciation and amortization expense	2,3,4	677.21	733.97
Other expenses	32	2,771.52	5,342.30
Total expenses (IV)		34,292.22	53,761.45
V Profit before exceptional items and tax (III - IV)		5,944.84	20,856.28
VI Exceptional Items		-	-
VII Profit before tax (V-VI)		5,944.84	20,856.28
VIII Tax expense:			
(1) Current tax		1,132.79	4,482.03
(2) Deferred tax		(238.42)	1,249.67
(3) Income tax on earlier years		(4,482.03)	(2,400.00)
		(3,587.66)	3,331.70
IX Profit for the period (VII - VIII)		9,532.50	17,524.58
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans (Expenses)/ Income		95.78	(43.45)
B (ii) Items that will be reclassified to profit or loss		-	-
		95.78	(43.45)
XI Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		9,628.28	17,481.13
XII Earnings per equity share (for continuing operation):			
(1) Basic		2.22	4.08
(2) Diluted		2.19	4.08
Accounting Policies	1		

(The accompanying notes form an integral part of the financial statements.)

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

STATEMENT OF CHANGES IN EQUITY

(₹ in Lacs)

A. Equity Share Capital

Particulars	31 st March, 2018	31 st March, 2017
Balance at the beginning of the year	43,400.40	41,900.40
Change in Equity share capital during the year	-	1,500.00
Balance at the end of the year	43,400.40	43,400.40

B. Other Equity

Particulars	Reserves & Surplus				Money received against Share Warrant	Total Equity
	Securities Premium Reserve	Debenture Redemption Reserve	General Reserves	Retained Earnings		
As at 1st April, 2016	4,91,143.49	31,999.52	5,05,809.93	28,717.10	-	10,57,670.04
Profit for the year	-	-	-	17,524.58	-	17,524.58
Other Comprehensive Income for the year	-	-	-	(43.45)	-	(43.45)
Total Comprehensive income for the year	-	-	-	17,481.13	-	17,481.13
Contributions by and distributions to owners						
Addition due to issue during the year	13,500.00	-	-	-	-	13,500.00
Transfer to General Reserve	-	(9,510.00)	9,510.00	-	-	-
As on 31st March, 2017	5,04,643.49	22,489.52	5,15,319.93	46,198.23	-	10,88,651.17
Profit for the year	-	-	-	9,532.50	-	9,532.50
Other Comprehensive Income for the year	-	-	-	95.78	-	95.78
Total Comprehensive income for the year	-	-	-	9,628.28	-	9,628.28
Contributions by and distributions to owners						
Addition due to issue during the year	-	-	-	-	4,200.00	4,200.00
Transfer to General Reserve	-	(4,987.74)	4,987.74	-	-	-
As on 31st March, 2018	5,04,643.48	17,501.78	5,20,307.67	55,826.51	4,200.00	11,02,479.44

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ in Lacs)				
Particulars	31 st March, 2018		31 st March, 2017	
A Cash flow from operating activities				
Net profit before tax		5,944.83		20,856.28
Adjustments for :				
Depreciation and amortisation expense	677.21		733.97	
Interest expenses	26,786.34		29,991.02	
Interest received	(1,048.69)		(1,121.36)	
Dividend received	(5.25)		(5.72)	
Remeasurements of the financial liability	71.98		115.61	
Profit on sale of Investment	-		(0.55)	
Loss on sale of fixed assets	0.56		-	
Profit on sale of fixed assets	(0.80)	26,481.35	(618.49)	29,094.48
Operating profit before working capital changes		32,426.18		49,950.76
Movements in working capital :				
Decrease / (Increase) in inventories	(62,025.27)		(58,126.59)	
Decrease / (Increase) in trade receivable	(12,048.68)		(9,877.31)	
Decrease / (Increase) in other receivables	37,154.70		54,170.13	
(Decrease) / Increase in non financial liabilities	87.64		51.23	
(Decrease) / Increase in financial liabilities	42,074.37		(19,848.88)	
Net movement in working capital		5,242.76		(33,674.87)
Cash generated from operations		37,668.94		16,275.89
Less : Direct taxes paid (net of refunds)		263.53		444.41
Net cash from operating activities		37,405.41		15,831.48
B Cash flows from investing activities				
Interest received	1,048.69		1,121.36	
Dividend received	5.25		5.72	
Purchase of fixed assets	(0.76)		(28.67)	
Proceeds from sale of investment	780.00		1,699.98	
Proceeds from sale of fixed asset	6.89		937.03	
Net cash from investing activities		1,840.07		3,735.42
C Cash flows from financing activities				
Proceeds from borrowings	-		5,536.41	
Repayment of borrowings	(16,653.56)		(13,260.94)	
Proceeds from share warrants	4,200.00		-	
Increase in share capital including share premium	-		15,000.00	
Interest paid	(26,786.34)		(29,991.02)	
Net cash used in financing activities		(39,239.90)		(22,715.55)
Net increase in cash and cash equivalents (A + B + C)		5.58		(3,148.65)
Cash and cash equivalents at the beginning of the year		2,335.23		5,483.88
Cash and cash equivalents at the end of the year		2,340.81		2,335.23
Components of cash and cash equivalents as at		31st Mar 2018		31st Mar 2017
Cash on hand		118.72		100.10
With banks - on current account		54.10		210.75
- on Escrow account		142.98		66.33
- on deposit account		12,074.95		11,068.53
- in Overdraft with Bank		(10,049.94)		(9,110.48)
Total		2,340.81		2,335.23

Note : Figures in the brackets indicate outflow.

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

1. Corporate Information

Housing Development and Infrastructure Limited ("HDIL") (CIN : L70100MH1996PLC101379) is engaged primarily in the business of real estate construction, development and other related activities. The Company is public limited Company incorporated and domiciled in India having its registered office at HDIL Towers, 9th Floor, Anant Kanekar Marg, Bandra (East), Mumbai- 400 051. The Company is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

1.1. Significant accounting policies

a) Basis of preparation

Statement of compliance with Ind AS

These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

b) Revenue recognition

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

i) Sale:-

• Unit in real estate:-

Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

• 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.

ii) Rent:-

Revenue is recognised on accrual basis.

iii) Interest:-

- Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.

iv) Dividends:-

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

v) 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.

vi) Profit on sale of investment: -

It is recognised on its liquidation / redemption.

c) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

d) Transactions in foreign currencies

The functional currency of the Company, being the currency of the primary economic environment in which the Company operates, is Indian Rupees ("₹"). The financial statements are presented in Indian Rupees.

- i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

- ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.
- iii) Non-monetary foreign currency items are carried at historical cost are translated at the exchange rate prevalent at the date of the transaction.

e) Retirement and other employee benefits

- i) The Company operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For post-employment benefit plans and other long term employee benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.
- ii) The Company recognises service costs comprising current service costs, past-service costs, remeasurement of other long term employee benefits, gains and losses on curtailments and non-routine settlements and net interest expense or income as an expense in the statement of profit and loss.
- iii) The Company's contributions paid / payable towards the defined contribution plan is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.
- iv) Short-term employee benefits are expensed as the undiscounted amount in the Statement of Profit and Loss in the year the employee renders service.

f) Income taxes

Tax expense comprises of current and deferred tax.

i) Current Tax

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

iii) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

g) Property, plant and equipments and intangible assets

- i) Property plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
- ii) Capital work-in-progress comprises cost of Property, Plant & equipment and related expenses that are not yet ready for their intended use at the reporting date.
- iii) Intangible assets which have definite useful life are stated at cost less accumulated amortisation and impairment loss. The intangible assets which have indefinite life are not amortised but tested for impairment annually.

iv) **Investment property**

Investment properties are properties (land or a building—or part of a building—or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property is included in the statement of profit and loss in the period in which the property is derecognised.

h) Depreciation / Amortisation on Property, Plant and Equipment / other intangible assets

- i) Depreciation on Property, Plant & Equipment is provided on the straight-line method over the useful lives of assets as specified in Schedule II of the Companies Act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during a year is proportionately charged. Intangible assets are amortised over their respective estimated useful lives on a straight-line basis, commencing from the date of asset is available to the Company for its use. The estimated useful life and residual value is reviewed at the end of each reporting financial year and changes, if any, are accounted for prospectively.
- ii) Based on an independent technical evaluation, the useful life of Mobile Phones has been estimated as 3 years, which is different from that prescribed in Schedule II of the Act.

i) Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

j) Impairment of Property, Plant & Equipment and intangible assets

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in income statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted.

An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss are recognised in the profit and loss statement.

k) Inventories

Inventories are valued as follows:

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

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

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

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

I) Financial instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

ii) Subsequent Measurement - Financial Assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

• Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and

The asset's contractual cash flows represent solely payments of principle and interest. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

• Equity investments

The Company subsequently measures all equity investments, other than investment in subsidiary at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payment is established.

• Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment loss, if any in the separate financial statements.

• Derecognition of financial assets

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

• Impairment of financial assets

The Company, after performing internal assessments, recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant

increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

iii) Subsequent Measurement - Financial Liabilities

- **Financial liabilities measured at amortised cost**

Financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

- **Financial liabilities measured at FVTPL (fair value through profit or loss)**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

- **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

- **Determination of fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Reclassification of financial assets and Liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available.

The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the reporting date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient

reliability. Contingent liabilities are not recognised but are disclosed in the notes unless the likelihood of their crystallizing is remote.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

n) Earnings per share

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

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

o) Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) 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 (IND AS - 108) on "Operating Segments".

(₹ in Lacs)

	Freehold Land and Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
2. Property, Plant and Equipment							
Cost							
At 31st Mar, 2016	12,521.10	670.07	309.22	506.96	107.96	30.27	14,145.58
Addition	-	-	0.89	-	2.47	4.84	8.20
Disposals	(960.05)	-	-	(6.37)	-	-	(966.42)
At 31st Mar, 2017	11,561.05	670.07	310.11	500.59	110.43	35.11	13,187.36
Addition	-	-	-	-	(0.41)	-	(0.41)
Disposals	-	(0.57)	-	(43.21)	(0.22)	(2.04)	(46.04)
At 31st Mar, 2018	11,561.05	669.50	310.11	457.38	109.80	33.07	13,140.91
Depreciation							
At 31st Mar, 2016	731.82	96.29	69.07	109.25	56.32	10.18	1,072.93
Depreciation charge for the year	225.27	96.63	69.14	116.05	20.79	11.18	539.06
Disposals	(24.14)	-	-	(5.82)	-	-	(29.96)
At 31st Mar, 2017	932.95	192.92	138.21	219.48	77.11	21.36	1,582.03
Depreciation charge for the year	213.26	92.66	65.73	85.24	15.39	8.07	480.35
Disposals	-	(0.29)	-	(38.04)	(0.19)	(2.03)	(40.55)
At 31st Mar, 2018	1,146.21	285.29	203.94	266.68	92.31	27.40	2,021.83
Net book value							
At 31st Mar, 2018	10,414.84	384.21	106.17	190.70	17.49	5.67	11,119.08
At 31st Mar, 2017	10,628.10	477.15	171.90	281.11	33.32	13.75	11,605.33
3. Investment Property							
Closing Balance as at 31st Mar, 2016							11,298.00
Closing Balance as at 31st Mar, 2017							11,298.00
Closing Balance as at 31st Mar, 2018							11,298.00
Depreciation							
Closing Balance as at 31st Mar, 2016							294.17
Depreciation charge for the year							187.79
Closing Balance as at 31st Mar, 2017							481.97
Depreciation charge for the year							189.33
Closing Balance as at 31st Mar, 2018							671.30
Net book value							
At 31st March, 2018 (Fair Value ₹ 81,174.06 Lacs)							10,626.70
At 31st March, 2017 (Fair Value ₹ 1,14,777.02 Lacs)							10,816.03

Note :

The fair value of investment property has been determined having reference to the market values as prescribed under the ready recknor published by a competent authority, as the company believes that the current market price of similar properties in the vicinity is the best evidence of the fair value of such investment property. The FV measurement has been categorised as Level 2 based on inputs to valuation technique used.

(₹ in Lacs)

Information regarding Income and expenditure of Investment Property		
Particulars	As at 31 st March 2018	As at 31 st March 2017
Renal income derived from Investment Properties	743.20	681.49
Less : Depreciation	(189.33)	(187.78)
Profit arising from investment properties before indirect expenses	553.87	493.71
4. Other Intangible assets		
Closing Balance as at 31st March, 2016		749.18
Addition during the year		20.47
Closing Balance as at 31st March, 2017		769.65
Addition during the period		-
Closing Balance as at 31st March, 2018		769.65
<u>Depreciation</u>		
At 31st March, 2016		745.27
Depreciation charge for the year		7.13
At 31st March, 2017		752.40
Depreciation charge for the year		7.52
Disposals		(3.25)
At 31st March, 2018		756.67
Net book value		
At 31st March, 2018		12.98
At 31st March, 2017		17.24
At 31st March, 2016		3.91

(₹ in Lacs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
5. Investments (Non Current)		
(i) Investments in Equity Instruments		
Other than trade (Unquoted Shares)		
Punjab and Maharashtra Co-op. Bank Limited		
1,90,000 (previous year 1,90,000) Equity Shares of ₹ 25/- each fully paidup	47.50	47.50
Dreams The Mall Company Limited		
93,957 (previous year 93,957) Equity Shares of ₹ 10/- each fully paidup	9.40	9.40
	56.90	56.90
In subsidiary Company (Unquoted Shares)		
HC Infracity Private Limited		
Nil (previous year 75,00,000) Equity Shares of ₹ 10/- each fully paidup	-	750.00
Privilege Power and Infrastructure Private Limited		
1,61,05,000 (previous year 1,61,05,000) Equity Shares of ₹ 100/- each fully paidup	36,145.79	36,145.79
Blue Star Realtors Private Limited		
69,10,880 (previous year 34,00,000) Equity Shares of ₹ 10/- each fully paidup	29,435.56	1,348.52
Ravijyot Finance and Leasing Private Limited		
Nil (previous year 3,00,000) Equity Shares of ₹ 10/- each fully paidup	-	30.00
Mazda Estates Private Limited		
4,10,000 (previous year 4,10,000) Equity Shares of ₹ 10/- each fully paidup	2,746.35	2,746.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lacs)	
Particulars	As at 31 st March 2018	As at 31 st March 2017	
Guruashish Construction Private Limited 31,00,000 (previous year 31,00,000) Equity Shares of ₹ 100/- each fully paidup	29,948.75	29,948.75	
BKC Developers Private Limited 98,500 (previous year 98,500) Equity Shares of ₹ 10/- each fully paidup	9,297.20	9,297.20	
Lashkaria Construction Private Limited 69,00,000 (previous year 69,00,000) Equity Shares of ₹ 10/- each fully paidup	690.00	690.00	
	1,08,263.65	80,956.61	
(ii) Investments in Preference Shares (unquoted)			
Blue Star Realtors Private Limited Nil (previous year 35,10,880) 5% Class II Cumulative Redeemable Preference shares of ₹ 10/- each fully paid up	-	28,087.04	
	-	28,087.04	
	1,08,320.55	1,09,100.55	
6. Others (Non Current)			
Security Deposits	40.16	40.16	
Bank deposits with more than 12 months maturity	807.95	40.00	
	848.11	80.16	
7. Inventories:			
(i) Work-in-progress	12,00,981.76	11,42,351.03	
(ii) Finished goods	25,501.39	22,106.85	
	12,26,483.15	11,64,457.88	
8. Current Investments			
Investments in partnership firms			
M/s Fine Developers (Fixed Capital ₹ Nil) (Share of profit-90%, other partner and share of profit is Sapphire Land Development Private Limited - 10%.)	1.58	1.58	
Heritage Housing Development Corporation (Fixed Capital ₹ Nil) (Share of profit-60%, other partner and share of profit is Pioneer India Developers Private Limited - 40%.)	100.00	100.00	
	101.58	101.58	
9. Trade receivables			
Unsecured considered good	38,243.65	26,194.97	
	38,243.65	26,194.97	
10. Cash and cash equivalents			
(i) Balances with Banks (of the nature of cash and cash equivalents);			
Current accounts	54.10	210.75	
Current Account balances in Escrow Account	142.98	66.33	
(ii) Cash on hand	118.72	100.10	
	315.80	377.18	
11. Bank balances			
In Fixed Deposit with less than a year maturity	11,267.00	11,028.54	
	11,267.00	11,028.54	

* includes fixed deposits of ₹ 1,856.47 lacs (previous year ₹ 1,088.45 lacs) pledged with bank as security for bank guarantees, and ₹ 9,373.28 lacs (previous year ₹ 7,942.26 lacs) pledged with bank as security for bank overdraft.

		(₹ in Lacs)	
Particulars	As at 31 st March 2018	As at 31 st March 2017	
12. Financial Assets : Others			
(i) Security Deposits	1,440.79	158.24	
(ii) Advances to related parties			
Loan to subsidiaries	5,668.46	8,654.23	
(iii) Other advances			
Loans to employees	92.53	25.75	
Interest accrued on fixed deposits	690.88	837.52	
	7,892.66	9,675.74	
13. Others			
Advance to suppliers	13,739.37	9,344.18	
Advances for land purchase /tenancy / claims / development rights	1,91,995.88	2,31,921.63	
Input Tax Credit	697.66	543.02	
Deferred Rent income (Straight line)	61.62	41.08	
Prepaid expenses	7.89	24.14	
	2,06,502.42	2,41,874.05	
14. Share Capital			
1,00,00,00,000 (previous year 1,00,00,00,000) Equity Share of ₹ 10/- each	1,00,000.00	1,00,000.00	
Issued, Subscribed and Paid up			
43,40,03,986 (previous year 43,40,03,986) Equity Shares of ₹ 10/- each fully paid-up	43,400.40	43,400.40	
	43,400.40	43,400.40	

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.

(i) Reconciliation of the number of shares outstanding :

Particulars	31 st March, 2018 Number	31 st March, 2017 Number
Shares outstanding at the beginning of the year	43,40,03,986	41,90,03,986
Shares Issued during the year	-	1,50,00,000
Shares outstanding at the end of the year	43,40,03,986	43,40,03,986

(ii) Shares in the Company held by each shareholder holding more than 5 percent :

Privilege Distilleries Private Limited	Number	2,48,22,086	2,48,22,086
	%	5.72%	5.72%
Dinshaw Trapinex Builders Private Limited	Number	2,85,22,629	2,85,22,629
	%	6.57%	6.57%
Dheeraj Consultancy Private Limited	Number	2,85,22,630	2,85,22,630
	%	6.57%	6.57%
Interactive Multimedia Technologies Private Limited	Number	3,00,27,300	3,00,27,300
	%	6.92%	6.92%
Orbis SICAV - Asia Ex- Japan Equity Fund	Number	2,67,88,612	3,92,75,550
	%	6.17%	9.05%

(₹ in Lacs)		
Particulars	As at 31 st March 2018	As at 31 st March 2017
15. Other Equity		
Securities Premium Reserve	5,04,643.48	5,04,643.49
Debenture Redemption Reserve	22,489.52	22,489.52
General Reserves	5,15,319.93	5,15,319.93
Retained Earnings	55,826.51	46,198.23
Money received against Share Warrant*	4,200.00	-
	1,1,02,479.44	1,0,88,651.17
*The Company had issued 2 Crores Convertible Warrants having option to apply for and be allotted equivalent number of equity shares of the face value of ₹ 10 each at a premium of ₹ 60.50 to Mr. Sarang Wadhawan, Promoter of the Company and accordingly all compliance of section 42 of the Act have been complied with.		
16. Non Current Borrowings		
(i) Secured Long Term Borrowings :		
Nil (Previous year 2,267) Redeemable Non Convertible Debentures of ₹ 10 lacs each	-	11,534.31
(ii) Term loans		
(a) Term Loans from Scheduled Banks	7,865.88	65,597.92
(b) Term loans from Financial Institutions	9,849.07	31,254.15
	17,714.95	1,08,386.38

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

I) Secured Redeemable Non Convertible Debentures :-

Secured Redeemable Non Convertible Debentures (Non listed) :-

- Nil (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.
- 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 : 20(III)(b))

II) All the above debentures have been personally guaranteed by

- Executive Chairman of the Company
- Vice Chairman and Managing Director of the Company

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

(₹ in Lacs)

IV) Maturity Profile of Secured Term Loans are as set out below

Secured Term Loans	Maturity Profile			Total
	Apr. 2019- Mar. 2020	Apr. 2020- Mar. 2021	Apr. 2021- Mar. 2022	
Term loan Schedule banks	4,234.00	3,000.00	750.00	7,984.00
Term loan Financial institution	9,537.33	311.74	-	9,849.07
Total	13,771.33	3,311.74	750.00	17,833.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
17. Other financial liabilities (Non current)		
(i) Security deposit - Prepaid Advance	178.42	189.30
(ii) Finance Guarantee Obligation	145.70	227.47
	324.12	416.77
18. Provisions (Non current)		
Provision for employee benefits		
Gratuity	221.92	125.50
Leave Encashment	146.22	206.67
	368.14	332.17
19. Deferred tax liabilities (Net)		
Liabilities		
(i) Related to fixed assets	3,198.99	3,419.29
(ii) other	62.06	78.43
Assets		
(i) Provision for gratuity	164.32	133.59
(ii) Provision for encashment of leave	88.01	116.99
	3,008.72	3,247.14

20.1 Movement in Deferred Tax Balances

Particulars	Balance as at 31 st Mar, 2017	Movement during the year		Balance as at 31 st Mar, 2018
		Recognised in Profit & Loss	Recognised in Equity	
Property, Plant & Equipment and Intangible Assets	(3,419.28)	220.29	-	(3,198.99)
Lease Rental	(13.96)	(7.36)	-	(21.32)
Borrowing cost amortisation	(64.48)	23.74	-	(40.74)
Provision for gratuity	133.59	30.73	-	164.32
Provision for encashment of leave	116.99	(28.98)	-	88.01
	(3,247.14)	238.42	-	(3,008.72)

20.2 Movement in Deferred Tax Balances

Particulars	Balance as at 31 st Mar, 2016	Movement during the year		Balance as at 31 st Mar, 2017
		Recognised in Profit & Loss	Recognised in Equity	
Property, Plant & Equipment and Intangible Assets	(2,118.04)	(1,301.24)	-	(3,419.28)
Lease Rental	(8.89)	(5.08)	-	(13.96)
Borrowing cost amortisation	(103.70)	39.23	-	(64.48)
Provision for gratuity	109.12	24.47	-	133.59
Provision for encashment of leave	124.04	(7.05)	-	116.99
	(1,997.47)	(1,249.67)	-	(3,247.14)

	31 st March, 2018	31 st March, 2017
Reconciliation of Effective Tax Rate		
Profit Before Tax	5,944.84	20,856.28
Current tax	1,132.79	4,482.03
Deferred tax	(238.42)	1,249.67
Tax of Prior years	(4,482.03)	(2,400.00)
	(3,587.67)	3,331.71

A reconciliation of income tax expenses application to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31st March, 2018 and 31st March, 2017 as follows:

(₹ in Lacs)

Particulars	31 st March, 2018	31 st March, 2017
Profit Before Tax	5,944.84	20,856.28
Income tax		
Statutory income tax on profit	1,268.63	4,450.73
Effect of exempt income, notional income and non-deductible expenses (net)	(374.26)	1,280.97
Tax expenses for current year	894.37	5,731.70
	15.04%	27.48%
Adjustment of tax of Prior years	(4,482.03)	(2,400.00)
Tax expenses recognised in the Statement of Profit & Loss	(3,587.66)	3,331.70
21. Current Borrowings		
(i) Loans repayable on demand from banks	16,049.94	15,110.48
(ii) Other loans		
Term Loans from Scheduled Banks	95,378.30	46,779.39
Term loans from Financial Institutions	41,460.84	22,516.48
	1,52,889.08	84,406.35

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

I) Loans repayable on demand from Scheduled Bank :-

Punjab and Maharashtra Co-operative Bank Limited :-

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

II) Term Loans from Scheduled Banks :-

a) Central Bank of India :-

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.

b) The Jammu and Kashmir Bank :-

- Term loan - I - Interest rate is base rate + 3.50% p.a. payable monthly.
- Term Loan - II - Secured by 1st Charge on the cash flows, receivables and project agreements/ project escrow account and project DSRA 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.
- Term Loan - III - Secured by 1st Charge on the cash flows, receivables, all current assets of the project and project agreements/ project escrow account and project DSRA of the free sale area and 1st charge by way of mortgage of development rights. Interest rate is base rate + 3.00 % p.a. payable monthly.

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

c) Allahabad Bank :-

- 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% p.a. payable monthly.
- 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% p.a. payable monthly.
- Secured by exclusive charge on all projects assets of the Company at Mulund and Palghar. Rate of interest is base rate + 5% p.a. payable monthly.

d) Syndicate Bank :-

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

e) Yes Bank Limited:-

Secured by exclusive charge on Projects Metropolis, Galaxy and Majestic Towers on development rights. Repayable 33.33% every year from 36th month of its disbursement

The Company has proposed One time settlement to all it's lender of its outstanding banking facilities and Company has received sanction for such proposal from some lenders. In accordance with such approval, payments will be made to banks and upon full & final payments, respective securities mortgaged will be released by the banks.

III) Term Loans from Financial Institution :-

a) IL & FS - PMDO:-

- i) Rate of interest is 13.50% p.a. payable monthly.
- ii) Rate of interest of the Funded interest term loan is 13.50% p.a. payable monthly.

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

The Company has proposed One time settlement to all it's lender of its outstanding banking facilities and Company has received sanction for such proposal from some lenders. In accordance with such approval, payments will be made to banks and upon full & final payments , respective securities mortgaged will be released by the banks.

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.
- 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. : 16 (I)).

c) Yes Bank (Suraksha Asset Reconstruction Company Private Limited) :-

Yes bank has assigned its loan to Suraksha Asset Reconstruction Company Private Limited. The terms of the loan remains the same i.e. the loan is secured by exclusive charge on Projects Metropolis, Galaxy and Majestic Towers on development rights.

IV) All the above loans have been personally guaranteed by

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

(₹ in Lacs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
22. Trade payables (Current)		
Micro, Small and Medium Enterprises	-	-
Others	45,708.59	45,780.81
	45,708.59	45,780.81
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 years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March 2018	As at 31 st March 2017
23. Other financial liabilities (Current)		
(i) Current maturities of long-term debt	-	4,774.17
(ii) Interest accrued -		
Due but not paid on loans	54,191.48	32,591.56
Not due on loans	331.69	276.28
(iii) Unpaid matured debentures and interest accrued thereon	20,523.02	-
Principal	17,501.78	6,181.04
Interest accrued	3,021.24	7,170.24
(iv) Security deposit		
Security deposit received	2,783.18	2,105.48
(v) Others		
Due to employees	1,300.81	852.60
Others	14,047.57	19,775.04
	93,177.75	73,726.41
24. Other current liabilities		
(i) Revenue received in advance	1,47,085.64	1,19,028.11
(ii) Others		
Statutory dues	2,531.92	1,254.98
	1,49,617.56	1,20,283.09
25. Provisions (Current)		
(i) Gratuity	252.85	267.53
(ii) Leave Encashment	108.08	137.51
	360.93	405.04
26. Current Tax Liabilities (Net)		
(i) Provision for taxation	44,114.54	47,463.78
(ii) Less : Tax Paid	31,433.78	31,170.25
	12,680.76	16,293.53

(₹ in Lacs)

Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
27. Revenue From Operations		
i) Sale of Product		
(a) Sale of commercial and residential units	16,541.27	41,113.50
(b) Sale of development rights/FSI/Land/TDR	21,031.69	28,617.89
ii) Other operating income		
(a) Lease rental (Refer Note No. 26.1)	743.20	681.49
(b) Others	458.91	668.14
	38,775.07	71,081.02
27.1 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 ₹ 743.20 Lacs (previous year ₹ 681.49 Lacs)		

(₹ in Lacs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
28. Other income		
Interest received	1,048.69	1,073.19
Dividend received (From Co-operative Bank)	5.25	5.72
Finance Income	-	77.77
Maintenance Income	407.15	1,724.23
Profit on sale of fixed assets	0.80	619.03
Miscellaneous income	0.10	36.77
	1,461.99	3,536.71
29. Cost of materials consumed		
Tenancy / claims / FSI / development rights/Land	22.21	12,691.62
Cost of material consumed	35,299.07	47,119.61
	35,321.28	59,811.23
30. Changes in inventories of finished goods and work-in-progress		
Opening finished goods	22,106.85	31,434.96
Opening work-in-progress	11,42,351.03	10,74,896.34
Adjustments during the year	27,679.29	12,190.59
	11,92,137.17	11,18,521.89
Closing finished goods	25,501.39	22,106.85
Closing work-in-progress	12,00,981.76	11,42,351.03
	12,26,483.15	11,64,457.88
	(34,345.98)	(45,935.99)
31. Employee benefits expense		
(i) Salaries and incentives	2,657.01	3,474.45
(ii) Contributions to - Provident and other funds	373.16	255.62
(iii) Staff welfare expenses	51.67	61.68
	3,081.84	3,791.75

As per IND AS 19 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

The Company has created Employee's Group Gratuity Fund with Life Insurance Corporation of India, and obtained Group Gratuity Assurance Policy from LIC for the benefit of employees.

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.

(₹ in Lacs)

Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
i) Reconciliation of defined benefit obligation		
Obligation at beginning of period	540.33	521.94
Current service cost	37.19	68.28
Interest cost	39.15	39.21
Actuarial loss/(gain) due to change in financial assumptions	(20.71)	27.43
Actuarial loss/ (gain) due to experience adjustments	(78.47)	(48.26)
Past service cost	111.86	-
Benefits paid	(86.05)	(68.27)
Obligation at year end	543.30	540.33

		(₹ in Lacs)	
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017	
ii) Reconciliation of plan assets			
Opening fair value of plan assets	147.30	200.90	
Interest Income	10.67	16.83	
Return on plan assets excluding amounts included in interest income	(3.40)	(2.15)	
Benefits paid	(86.05)	(68.27)	
Closing fair value of plan assets	68.52	147.31	
iii) Funded status of the plan			
Present value of funded obligations	543.29	540.33	
Fair value of plan assets	68.52	147.30	
Net asset / (liability) recognised in the Balance Sheet	(474.77)	(393.03)	
iv) Profit and loss account for current year			
Current service cost	37.20	68.28	
Past service cost and loss/(gain) on curtailments and settlement	111.86	-	
Net interest cost	28.47	22.38	
Total included in 'Employee Benefit Expense'	177.53	90.66	
Expenses deducted from the fund	-	-	
Total Charge to P&L	177.53	90.66	
v) Other Comprehensive Income for the current year			
Actuarial loss/(gain) due to change in financial assumptions	(20.71)	27.43	
Actuarial loss/ (gain) due to experience adjustments	(78.47)	(48.26)	
Return on plan assets excluding amounts included in interest income	3.40	2.15	
Amounts recognized in Other Comprehensive Income	(95.78)	(18.68)	
vi) The weighted average duration of the defined benefit obligation is 21.62 years (Previous year 23.10 years)			
Expected Cash flow based on past service liability			
Expected benefits for year 1	46.81	33.45	
Expected benefits for year 2 to year 5	141.80	141.56	
Expected benefits beyond year 5	1,296.14	195.94	
vii) Sensitivity Analysis			
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:			
Discount rate varied by 0.5%			
+ 0.5%	515.61	515.29	
- 0.5%	573.34	567.52	
Salary growth rate varied by 0.5%			
+ 0.5%	566.44	559.10	
- 0.5%	520.93	522.55	
viii) Investment Details			
Policy of Insurance	100%	100%	
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. The following table set out the status of the leave encashment plan as required under IND AS - 19			

(₹ in Lacs)

Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
i) Reconciliation of defined benefit obligation		
Obligation at beginning of period	344.18	364.93
Current service cost	32.04	60.04
Interest cost	24.94	27.07
Actuarial loss/(gain) due to change in financial assumptions	(8.07)	16.47
Actuarial loss/(gain) due to change in demographic assumption	-	21.34
Actuarial loss/ (gain) due to experience	(138.79)	(145.67)
Obligation at period end	254.30	344.18
ii) Funded status of the plan		
Present value of unfunded obligations	254.30	344.18
Fair value of plan assets	-	-
Net asset / (liability) recognised in the Balance Sheet	254.30	344.18
iii) Profit and loss account for current period		
Current service cost	32.04	60.04
Net interest cost	24.94	27.07
Net Value of remeasurements on the obligation and plan assets	(146.86)	(107.86)
Total included in 'Employee Benefit Expense'	(89.88)	(20.75)
Total Charge to P&L	(89.88)	(20.75)
Actuarial loss / (Gain)		
Actuarial loss/(gain) due to change in financial assumptions	(8.07)	16.47
Actuarial loss/(gain) due to change in demographic assumption	-	21.34
Actuarial loss/ (gain) due to experience adjustments	(138.79)	(145.67)
Net Actuarial Loss / (Gain)	(146.86)	(107.86)
iv) Expected Cash flow based on past service liability		
Expected benefits for year 1	26.71	37.61
Expected benefits for year 2 to year 5	81.37	99.90
Expected benefits beyond year 5	477.43	137.69
v) Sensitivity Analysis		
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:		
Discount rate varied by 0.5%		
+ 0.5%	243.44	329.15
- 0.5%	265.96	360.39
Salary growth rate varied by 0.5%		
+ 0.5%	265.97	360.35
- 0.5%	243.33	329.05
C Valuation Assumptions		
Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.		
i) Discount Rate	7.60%	7.25%
ii) Salary Growth	7.00%	7.00%
iii) Expected rate of return	: This assumption is required only in case of funded plans. The level of returns would depend on the nature of assets and the prevailing economic scenario	
iv) Mortality	: Indian Assured Lives Mortality (2006-08)	

			(₹ in Lacs)	
Particulars			Year ended 31 st March 2018	Year Ended 31 st March 2017
v)	Withdrawals	: 5% at younger ages reducing to 1% to older ages		
vi)	Retirement age	: 60 or 65 years		
vii)	Leave Consumption Factors	: 2.50% at all ages (previous year 1.75%)		
viii)	Method of Valuation	: Projected Unit Credit Method		
32. Finance costs				
Interest				
(a)	Project specific interest expenses		24,668.72	25,366.46
(b)	Other interest		2,117.63	4,651.73
			26,786.35	30,018.19
33. Other expenses				
Advertisement and sales promotion expenses			40.73	265.40
Commission and brokerage			5.18	434.69
Electricity charges			448.07	757.16
Insurance charges			2.71	5.00
Bank Charges			10.63	15.13
Other expenses			215.94	524.89
Loss on sale of fixed assets			0.56	-
Loss on foreign exchange fluctuation -net			(0.02)	1.51
Membership and subscription			10.37	10.97
Printing and stationery			41.35	45.43
Security charges			229.39	565.24
Professional fees			928.03	929.11
Rent paid (Refer Note 33.01)			28.08	55.33
Rates and taxes			36.97	1,095.71
Repairs and maintenance to buildings			1.65	2.66
Repairs and maintenance to other assets			1.97	10.40
Stamping and registration			413.47	26.15
Communication expenses			58.41	74.29
Postages and telegram expenses			11.91	16.26
Travelling and conveyance expenses			127.10	180.92
Remuneration to auditors (Refer Note 33.02)			48.00	120.00
Directors remuneration, commission and sitting fees (Refer Note 33.03)			109.69	205.80
Donations			1.25	-
Filing fees paid to the Registrar of Companies			0.08	0.25
Total			2,771.52	5,342.30
Above expenses includes Project related expenses			1,137.84	3,122.87
33.01 Assets taken on lease :				
i)	General description of leasing arrangement			
(a)	Leased assets : Residential and Commercial Premises			
(b)	Future lease rentals are determined on the basis of agreed terms.			
(c)	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.			
ii)	Total operating lease expenses debited to the statement of Profit and Loss ₹ 28.08 lacs (previous year ₹ 55.33 lacs)			
iii)	Total minimum lease payments payable			
	Not more than one year		5.72	33.80

		(₹ in Lacs)	
Particulars		Year ended 31 st March 2018	Year Ended 31 st March 2017
Not less than one year and not more than five years		-	5.72
More than five years		-	-
33.02 Remuneration to Auditors			
i) Audit fees		48.00	60.00
ii) Taxation matters		-	60.00
		48.00	120.00
33.03 Managerial Remuneration			
i) Commission to Non Executive Directors		102.29	199.20
ii) Sitting fees		7.40	6.60
		109.69	205.80
34. Earnings Per Equity Share Has Been Computed As Under:			
(i) Net profit after tax as per Statement of Profit and Loss		9,532.50	17,524.58
(ii) Number of fully paid equity shares used in computing earnings per equity share			
Basic	Nos.	43,40,03,986	42,91,13,575
Diluted	Nos.	43,92,33,300	42,91,13,575
(iii) Basic Earnings per share		2.20	4.08
(iv) Diluted Earnings per share		2.17	4.08
(v) Nominal value per equity share is ₹ 10/- fully paid			
35. Contingent Liabilities Not Provided For			
i) (a) Claims against the Company not acknowledged as debts (represents suits filed by the parties in the Court and disputed by the Company)		35,188.40	35,188.40
(b) Income-tax demands disputed by the Company (net of amounts provided)		1,10,919.25	51,727.55
The matters in dispute are under appeal. The demands have been paid / adjusted and will be received as refund if the matters are decided in favour of the Company			
In the opinion of the management the above claims are not sustainable			
ii) Guarantees provided by the bank		652.02	652.02
Includes Bank Guarantee of ₹ 10.00 lacs (previous year ₹ 10.00 lacs) to Pollution Control Board, Lucknow on behalf of the HC Infracity Private Limited.			
iii) Financial guarantee			
(a) The Company has provided an undertaking to pay in the event of default on loans given by Banks to following subsidiary Companies			
Guruashish Construction Private Limited		21,500.00	21,500.00
Privilege Power and Infrastructure Private Limited		75,600.00	75,600.00
(b) The Company has facilitated a vendor financing, setting up with IDBI Bank Limited upto ₹ 5,000.00 lacs. The Company has extended it's corporate guarantee to the IDBI bank.		5,000.00	5,000.00

(₹ in Lacs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
36. CAPITAL COMMITMENT		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	Nil	Nil

37. RELATED PARTY DISCLOSURE

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

Wholly owned subsidiary

Privilege Power and Infrastructure Private Limited

Blue Star Realtors Private Limited

Guruashish Construction Private Limited

Mazda Estates Private Limited

Other subsidiary

Ravijyot Finance and Leasing Private Limited (Up to 30.09.2017)

BKC Developers Private Limited

Lashkaria Construction Private Limited

HC Infracity Private Limited (Up to 30.09.2017)

Enterprise significantly influenced by key management personnel

Privilege Airways Private Limited

Privilege Industries Limited

Privilege Health Care Services Private Limited

Joint Venture

Fine Developers

Heritage Housing Development Corporation

Key management personnel

Name

Shri Rakesh Kumar Wadhawan

Shri Sarang Wadhawan

Darshan Majmudar

Designation

Executive Chairman

Vice Chairman & Managing Director

Chief Financial Officer & Company Secretary

B. Transactions with related party

(₹ in Lacs)

Nature of transaction	31 st March, 2018					31 st March, 2017				
	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Management Personnel	Total	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Management Personnel	Total
Purchase of Land / FSI	22.21	-	-	-	22.21	157.39	-	-	-	157.39
Repayment of Advance for project	-	-	-	-	-	27,200.76	-	-	-	27,200.76
Payment to Key managerial personnel	-	-	-	60.00	60.00	-	-	-	60.00	60.00
Sale of FSI/Property	-	-	-	-	-	-	5,728.90	-	-	5,728.90
Expenses incurred	-	-	-	-	-	-	41.02	-	-	41.02
Outstanding as at year end-Due from	5,668.46	-	101.58	-	5,770.04	8,654.23	-	101.58	-	8,755.81
Outstanding as at year end-Due to	-	88.74	-	-	88.74	-	88.74	-	-	88.74

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	Percentage of Holding	31 st March, 2018	31 st March, 2017
Expenses			
Travelling Expenses -Privilege Airways Private Limited		-	41.02
Total		-	41.02
Purchase of Land / FSI			
Privilege Power & Infrastructure Private Limited	100%	22.21	157.39
Total		22.21	157.39
Advance for projects			
Privilege Power & Infrastructure Private Limited	100%	-	27,200.76
Total		-	27,200.76
Salary paid			
Shri Darshan D. Majmudar		60.00	60.00
Total		60.00	60.00
Sale of commercial units			
Privilege Industries Limited		-	5,728.90
Total		-	5,728.90
Balance outstanding as at :			
Other subsidiary			
Lashkaria Construction Private Limited	69%	5,668.46	5,668.46
HC Infracity Private Limited	75%	-	2,985.77
Total		5,668.46	8,654.23
Joint Ventures			
Fine Developers		1.58	1.58
Heritage Housing Development Corporation		100.00	100.00
Total		101.58	101.58
Trade payable, advances for projects			
Privilege Airways Private Limited		88.74	88.74
Total		88.74	88.74

38. FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class, financial liability and equity instruments are disclosed in note no 1.1 (I) to the financial statements.

A) Financial Assets and Liabilities

The Carrying values of Financial Assets and Liabilities have been given under :

(₹ in Lacs)

31 st March, 2018	Carrying amounts			
	Fair value through profit and loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Assest				
Non Current				
Investments				
Investment in Equity instruments	-	56.90	-	56.90
Investment in Preference Shares	-	-	-	-
Other Non Current Financial Assets	-	-	848.11	848.11
Current				
Investments	-	-	101.58	101.58
Trade receivables	-	-	38,243.66	38,243.66
Cash and cash equivalents	-	-	315.80	315.80
Bank balances	-	-	11,267.00	11,267.00
Others	-	-	7,892.66	7,892.66
Financial Liabilites				
Non Current				
Borrowings	-	-	17,714.95	17,714.95
Other financial liabilities	145.70	-	324.11	469.81
Current				
Borrowings	-	-	1,52,889.09	1,52,889.09
Trade payables	-	-	45,708.59	45,708.59
Other financial liabilities	-	-	93,177.75	93,177.75

(₹ in Lacs)

31 st March, 2017	Carrying amounts			
	Fair value through profit and loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Financial Assest				
Non Current				
Investments				
Invement in Equity instruments	-	56.90	-	56.90
Invement in Preference Shares	-	-	28,087.04	28,087.04
Other Non Current Financial Assets	-	-	80.16	80.16
Current				
Investments	-	-	101.58	101.58
Trade receivables	-	-	26,194.97	26,194.97
Cash and cash equivalents	-	-	377.18	377.18
Bank balances	-	-	11,028.54	11,028.54
Others	-	-	10,259.83	10,259.83
Financial Liabilites				
Non Current				
Borrowings	-	-	1,08,576.06	1,08,576.06
Other financial liabilities	227.47	-	189.29	416.77
Current				
Borrowings	-	-	84,406.35	84,406.35
Trade payables	-	-	45,780.81	45,780.81
Other financial liabilities	-	-	73,726.41	73,726.41

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2018 and 31st March, 2017 approximate the Fair Value because of their short term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant each of year presented.

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Company has fair valued the transaction of financial guarantee (under Other Financial Liabilities) on the basis of internal comparable of a similar transaction with an unrelated party. The fair value so determined will therefore be classified under Level 2. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair valued measurements and the cost represents estimate of fair valued within that range.

C) Financial risk management

i) Risk management framework

- The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have established the risk management committee, which is responsible for developing and monitoring the risk management policies. The Company reports regularly to the Board of Directors on its activities.
- The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which the employees understand their roles and obligations.
- The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii) The Company has exposure to the following risks from the financial instruments:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in debt securities, loans given to related parties and project deposits.

The carrying amount of financial assets represents the maximum credit exposure.

• Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's Credit risk in this respect.

The Company's credit risk with regard to trade receivables has a high degree of risk diversification, due to the large number of projects of vary in sizes and types with numerous different customer categories in a large number of geographical markets.

Based on prior experience and an assessment of the current economic environment, management believes there is no credit risk provision required. Also the Company does not have any significant concentration of credit risk.

The ageing of trade receivables is as follows:

(₹ in Lacs)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Trade Receivables (Unsecured)		
Over six months	17,972.40	7,852.64
Less than six months	20,271.26	18,342.33
	38,243.65	26,194.97

The amounts reflected in the table above are not impaired as on the reporting date.

- **Investment in Debt securities, Loans to Related Parties and Deposits**

The Company has investments in non-convertible preference shares, loans to related parties and project deposits. Based on prior experience and assessments performed by the management such financial Assets are not impaired as on the reporting date.

- **Cash and Bank Balances**

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

- **Exposure to Liquidity risk**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2018

	Due within 12 months	Due in 1 to 3 year	More than 3 years
Financial Liabilities			
Borrowings	1,70,390.87	17,832.65	-
Trade payables	45,708.59	-	-
Other financial liabilities	72,892.78		2,992.44

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2017

	Due within 12 months	Due in 1 to 3 year	More than 3 years
Financial Liabilities			
Borrowings	95,361.57	85,862.21	22,713.85
Trade payables	45,780.81	-	-
Other financial liabilities	60,428.10	-	2,555.66

c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- **Currency risk**

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management is as follows :

(₹ in Lacs)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Financial Assets		
Fixed rate instruments		
Bank Deposits		
- Current	11,267.00	11,028.54
- Non Current	807.95	40.00
Financial Liabilities		
Fixed rate instruments		
Borrowing - Non Convertible Debentures	17,501.78	22,489.52
Variable rate instruments		
Borrowing		
- From Schedule Bank	1,19,294.12	1,27,487.79
- From Financial institutions	51,309.91	53,770.64

Fair value sensitivity analysis for fixed rate instruments

Fixed rate financial assets / liabilities are carried out at amortised cost. Therefore they are not subject to interest rate risk since, neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. Given that the Company capitalises interest to the cost of inventory to the extent permissible, the amounts indicated below may have an impact on reported profits over the life cycle of projects to which such interest is capitalised. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposure outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	100 BP Increase	100 BP Decrease
31st March, 2018		
Financial Liabilities		
Variable rate instruments		
Borrowing	(1,081.65)	1,081.65
31st March, 2017		
Financial Liabilities		
Variable rate instruments		
Borrowing	(1,145.17)	1,145.17

39. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

40. POST REPORTING EVENTS:

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31st March, 2018 were approved by the Board of Directors on 30th May, 2018

42. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.
43. The IT Department have appealed against the IT Tribunal's order, advising the IT Department for reassessment of Computation of Income of the block assessment of Income Tax for the Assessment Year 2009-10, 2010-11, 2011-12. The matter is Pending.
44. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates

Chartered Accountants,
Firm Registration Number: 123005W

SVN Rajeswari

Proprietor
Membership No. 112940

Place : Mumbai

Date: 30th May, 2018

Rakesh Kumar Wadhawan

Executive Chairman

Lalit Mohan Mehta

Director

Darshan Majmudar

Chief Financial Officer and
Company Secretary

Sarang Wadhawan

Vice Chairman & Managing Director

Hazari Lal

Director

Raj Kumar Aggarwal

Director

Sandhya Baliga

Director

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

Report on the Consolidated Ind As Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Housing Development and Infrastructure Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, change in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis of Qualified Opinion

As per notes to accounts of the Consolidated Ind As financial statements, one of the wholly owned subsidiary Company Guruashish Construction Private Limited, is admitted under Insolvency and Bankruptcy Code, 2016 initiated by lenders. The Hon. National Company Law Tribunal (NCLT) has ordered commencement of the corporate insolvency resolution process in respect of the Company and appointed an Interim Resolution Professional (IRP). As a result thereof, the ability of the Company to continue as a going concern is dependent upon the Company's performance in terms of the Resolution Plan to be approved by the Hon. (NCLT) under the provisions of Insolvency and Bankruptcy Code, 2016.

However, in view of the large amount of debt of the Company, we are unable to express an opinion on the extent of repayment of the aforesaid debt of the Company. The consequential effect of the above, on the Consolidated Ind AS Financial Results for the period ended 31st March, 2018 is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described above, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit and their consolidated changes in equity for the and the consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the Ind AS financial statements of one subsidiary of the Company Lashkaria Construction Private Limited whose Ind AS financial statements reflect total assets of ₹ 7,127.86 lakhs as at 31st March, 2018, total revenue (net) of NIL and net cash flows amounting to ₹ (2.04) lakhs for the year then ended, as considered in the consolidated Ind AS financial statements. This Ind AS financial statements/financial information has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind As financial statements, in so far as

it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

- (b) Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the reports of the other auditor and the Ind AS financial statements /financial information certified by the Management.

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Group so far as it appears from our examination of those books and report of the other auditors;
- (c) The Consolidated Balance Sheet, the consolidated statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Companies, none of the Directors of the Group companies, is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate Reporting in "Annexure", which is based on the auditor's report of the Holding Company and the subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Ind AS Financial Statements disclosed the impact of pending litigations on its consolidated financial position of the Group;
- ii. The Group did not have any material foreseeable losses on the long term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Holding Company and Subsidiary companies.

For Rajeswari & Associates,

Chartered Accountants

Firm Registration No: 123005W

SVN Rajeswari

Partner

Membership No.: 112940

Place : Mumbai

Date : 30th May, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED.

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

We have audited the internal financial controls over financial reporting of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED ("the Company")** as of 31st March, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rajeswari & Associates,**
Chartered Accountants
Firm Registration No: 123005W

SVN Rajeswari
Proprietor
Membership No.: 112940

Place : Mumbai
Date : 30th May, 2018

CONSOLIDATED BALANCE SHEET AS AT

(₹ in Lacs)			
Particulars	Note No.	31 st March, 2018	31 st March, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	11,149.89	11,657.46
(b) Investment Property	3	10,639.13	10,828.68
(c) Other Intangible assets	4	9.72	17.24
(d) Financial Assets			
(i) Investments	5	1,651.75	1,651.75
(ii) Others	6	848.10	92.32
(e) Other non-current assets	7	13,117.54	10,088.74
Current assets			
(a) Inventories	8	15,31,678.89	14,84,013.68
(b) Financial Assets			
(i) Investments	9	894.85	894.85
(ii) Trade receivables	10	42,785.88	30,666.45
(iii) Cash and cash equivalents	11	373.97	1,667.62
(iv) Bank balances other than (iii) above	12	11,269.58	11,030.99
(v) Other	13	20,408.74	23,578.70
(c) Other current assets	14	2,07,076.37	2,42,083.21
Total Assets		18,51,904.41	18,28,271.69
EQUITY AND LIABILITIES			
(a) Equity Share capital	15	43,400.40	43,400.40
(b) Other Equity	16	11,18,063.20	11,04,199.93
(c) Minority interest		444.16	716.19
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	73,947.34	1,62,513.23
(ii) Other financial liabilities	18	178.42	189.29
(b) Provisions	19	371.51	337.69
(c) Deferred tax liabilities (Net)	20	2,981.55	3,206.78
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1,52,909.09	84,850.62
(ii) Trade payables	22	50,397.64	53,911.75
(iii) Other financial liabilities	23	1,15,151.32	87,815.89
(b) Other current liabilities	24	2,81,006.70	2,70,418.16
(c) Provisions	25	371.70	415.34
(d) Current Tax Liabilities (Net)	26	12,681.38	16,296.42
Total Equity and Liabilities		18,51,904.41	18,28,271.69
Accounting Policies	1		
(The accompanying notes form an integral part of the financial statements.)			

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

		(₹ in Lacs)	
Particulars	Note No.	31 st March, 2018	31 st March, 2017
I Revenue From Operations	27	38,775.07	72,376.79
II Other Income	28	1,385.86	3,451.16
III Total Income		40,160.93	75,827.95
IV EXPENSES			
Cost of materials consumed	29	42,308.51	1,17,824.68
Changes in inventories of finished goods and work-in-progress	30	(49,929.17)	(1,16,154.27)
Employee benefits expense	31	3,160.21	3,886.68
Finance costs	32	34,917.94	42,824.48
Depreciation and amortization expense	2,3,4	683.24	750.13
Other expenses	33	2,976.56	5,528.24
Total expenses		34,117.29	54,659.94
V Profit before exceptional items and tax		6,043.64	21,168.01
VI Exceptional Items		-	-
VII Profit before tax		6,043.64	21,168.01
VIII Tax expense:			
(1) Current tax		1,195.15	4,432.21
(2) Deferred tax		(233.92)	1,247.92
(3) Income tax on earlier years		(4,484.32)	(2,400.00)
		(3,523.09)	3,280.13
		9,566.73	17,887.88
IX Profit for the period (before minority interest, share of profit/(loss) in associates and jointly controlled entities)			
X Minority interest - share of (loss)/profit		(3.05)	(10.70)
XI Net profit after tax, minority interest and share of profit/(loss) of associates and jointly controlled entities		9,569.78	17,898.58
XII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		99.70	(43.74)
		99.70	(43.74)
XIII Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the period)		9,669.48	17,854.84
XIV Earnings per equity share (for continuing operation):			
(1) Basic		2.23	4.16
(2) Diluted		2.22	4.16
Accounting Policies	1		
(The accompanying notes form an integral part of the financial statements.)			

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in Lacs)

A. Share Capital

Particulars	31 st March, 2018	31 st March, 2017
Balance at the beginning of the year	43,400.40	41,900.40
Change in Equity Share capital during the year	-	1,500.00
Balance at the end of the year	43,400.40	43,400.40

B. Other Equity

Particulars	Reserves & Surplus						Money received against share warrants	Total Equity
	Capital Reserve	Capital redemption reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserves	Retained Earnings		
As at 1st April, 2016	6.00	62.07	4,91,116.65	31,999.52	5,57,257.31	(8,189.91)	-	10,72,251.65
Profit for the year	-	-	-	-	-	17,898.58	-	17,898.58
Other Comprehensive Income for the year	-	-	-	-	-	(43.74)	-	(43.74)
Total Comprehensive Income for the year	6.00	62.07	4,91,116.65	31,999.52	5,57,257.31	9,664.93	-	10,90,106.49
Contributions by and distributions to owners								
Addition due to issue during the year	-	-	13,500.00	-	-	-	-	13,500.00
Delink of Subsidiary	-	-	-	-	-	593.45	-	593.45
As at 31st March, 2017	6.00	62.07	5,04,616.65	31,999.52	5,57,257.31	10,258.38	-	11,04,199.93
Profit for the year	-	-	-	-	-	9,569.78	-	9,569.78
Other Comprehensive Income for the year	-	-	-	-	-	99.70	-	99.70
Total Comprehensive Income for the year	-	-	-	-	-	9,669.48	-	9,669.48
Contributions by and distributions to owners								
Addition due to issue during the year	-	-	-	-	-	-	4,200.00	4,200.00
Less : Loss of minority adjust against majority interest	-	-	-	-	-	(0.01)	-	(0.01)
Delink of Subsidiary	-	-	-	-	-	(6.21)	-	(6.21)
As at 31st March, 2018	6.00	62.07	5,04,616.65	22,489.52	5,66,767.31	19,921.64	4,200.00	11,18,063.20

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ in Lacs)

Particulars	31 st March, 2018		31 st March, 2017	
A Cash flow from operating activities				
Net profit before tax		6,043.64		21,168.01
Adjustments for :				
Depreciation and amortisation expense	683.24		750.13	
Interest expenses	34,917.94		42,824.48	
Interest received	(967.05)		(1,047.57)	
Dividend received	(10.75)		(11.72)	
Loss on sale of fixed assets	0.56		-	
Profit on sale of Investment	-		(618.48)	
Profit on sale of fixed assets	(0.80)	34,623.14	(0.55)	41,896.29
Operating profit before working capital changes		40,666.78		63,064.30
Movements in working capital :				
Decrease / (Increase) in inventory	(77,450.65)		(1,28,351.46)	
Decrease / (Increase) in trade receivable	(12,119.43)		(4,315.81)	
Decrease / (Increase) in other receivables	34,730.40		56,949.55	
(Decrease) / Increase in non financial liabilities	39,360.24		43,836.26	
(Decrease) / Increase in financial liabilities	17,491.62		30,840.35	
Net movement in working capital		2,012.18		(1,041.11)
Cash generated from operations		42,678.96		62,023.19
Less : Direct taxes paid (net of refunds)		325.87		444.93
Net cash from operating activities		42,353.09		61,578.26
B Cash flows from investing activities				
(Increase) / Decrease in other investments	-		0.35	
Interest received	967.05		1,047.57	
Dividend received	10.75		11.73	
Sale / (Purchase) of fixed assets	1.13		(28.72)	
Proceeds from sale of investment	780.00		1,699.98	
Proceeds from sale of fixed asset	5.00		937.03	
Net cash from investing activities		1,763.93		3,667.94
C Cash flows from financing activities				
Proceeds from borrowings	56,819.36		(47,390.27)	
Repayment of borrowings	(71,403.20)		6,437.08	
Proceeds from share warrants	4,200.00		-	
Interest paid	(34,917.94)		(42,824.48)	
Net cash used in financing activities		(45,301.78)		(68,777.67)
Net increase in cash and cash equivalents (A + B + C)		(1,184.76)		(3,531.47)
Cash and cash equivalents at the beginning of the year		3,588.13		7,119.60
Less : Delink of subsidiary		1.81		-
Cash and cash equivalents at the end of the year		2,401.56		3,588.13
Components of cash and cash equivalents as at		31st Mar 2018		31st Mar 2017
Cash on hand		129.57		110.88
With banks - on current account		101.42		1,490.41
- on Escrow account		142.98		66.33
- on deposit account *		12,077.53		11,030.99
- in Overdraft with Bank		(10,049.94)		(9,110.48)
Total		2,401.56		3,588.13

Note : Figures in the brackets indicate outflow.

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates
Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan
Executive Chairman

Sarang Wadhawan
Vice Chairman & Managing Director

Raj Kumar Aggarwal
Director

SVN Rajeswari
Proprietor
Membership No. 112940

Lalit Mohan Mehta
Director

Hazari Lal
Director

Sandhya Baliga
Director

Place : Mumbai
Date: 30th May, 2018

Darshan Majmudar
Chief Financial Officer and
Company Secretary

1. Corporate Information

Housing Development and Infrastructure Limited ("HDIL") (CIN : L70100MH1996PLC101379) is engaged primarily in the business of real estate construction, development and other related activities. The Company is public limited Company incorporated and domiciled in India having its registered office at HDIL Towers, 9th Floor, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051. The Company is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

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	
Privilege Power and Infrastructure Private Limited	100%
Blue Star Realtors Private Limited	100%
Mazda Estates Private Limited	100%
Guruashish Construction Private Limited	100%
Ravijyot Finance and Leasing Private Limited (Up to 30.09.2017)	60%
BKC Developers Private Limited	99%
HC Infracity Private Limited (Up to 30.09.2017)	75%
Lashkaria Construction Private Limited	69%

1.1. Significant accounting policies

a) Basis of preparation

i) Statement of compliance with Ind AS

These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

b) Revenue recognition

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

i) Sale: -

- Unit in real estate: -

Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

- 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.

ii) Rent: -

Revenue is recognised on accrual basis.

iii) Interest: -

- Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.

iv) Dividends: -

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

v) 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.

vi) Profit on sale of investment: -

It is recognised on its liquidation / redemption.

c) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

d) Transactions in foreign currencies

The functional currency of the Group, being the currency of the primary economic environment in which the Group operates, is Indian Rupees ("₹"). The financial statements are presented in Indian Rupees.

- i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.
- iii) Non-monetary foreign currency items are carried at historical cost are translated at the exchange rate prevalent at the date of the transaction.

e) Retirement and other employee benefits

- i) The Group operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For post-employment benefit plans and other long term employee benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

- ii) The Group recognises service costs comprising current service costs, past-service costs, remeasurement of other long term employee benefits, gains and losses on curtailments and non-routine settlements and net interest expense or income as an expense in the statement of profit and loss.
- iii) The Group's contributions paid / payable towards the defined contribution plan is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.
- iv) Short-term employee benefits are expensed as the undiscounted amount in the Statement of Profit and Loss in the year the employee renders service.

f) Income taxes

Tax expense comprises of current and deferred tax.

i) Current Tax

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

iii) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

g) Property, plant and equipments and intangible assets

- i) Property plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
- ii) Capital work-in-progress comprises cost of Property, Plant & equipment and related expenses that are not yet ready for their intended use at the reporting date.
- iii) Intangible assets which have definite useful life are stated at cost less accumulated amortisation and impairment loss. The intangible assets which have indefinite life are not amortised but tested for impairment annually.
- iv) Investment property

Investment properties are properties (land or a building—or part of a building—or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property is included in the statement of profit and loss in the period in which the property is derecognised.

h) Depreciation / Amortisation on Property, Plant and Equipment / other intangible assets

- i) Depreciation on Property, Plant & Equipment is provided on the straight-line method over the useful lives of assets as specified in Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a year is proportionately charged. Intangible assets are amortised over their respective estimated useful lives on a straight-line basis, commencing from the date of asset is available to the Group for its use. The estimated useful life and residual value is reviewed at the end of each reporting financial year and changes, if any, are accounted for prospectively.
- ii) Based on an independent technical evaluation, the useful life of Mobile Phones has been estimated as 3 years, which is different from that prescribed in Schedule II of the Act.

i) Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

j) Impairment of Property, Plant & Equipment and intangible assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in income statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted.

An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss are recognised in the profit and loss statement.

k) Inventories

Inventories are valued as follows:

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

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

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

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

l) Financial instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

ii) Subsequent Measurement - Financial Assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

• Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and

The asset's contractual cash flows represent solely payments of principle and interest. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

- **Equity investments**

The Group subsequently measures all equity investments, other than investment in subsidiary at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payment is established.

- **Investment in subsidiaries**

Investment in subsidiaries is carried at cost less impairment loss, if any in the separate financial statements.

- **Derecognition of financial assets**

The Group derecognises a financial asset when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset.

- **Impairment of financial assets**

The Group, after performing internal assessments, recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

iii) Subsequent Measurement - Financial Liabilities

- **Financial liabilities measured at amortised cost**

Financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

- **Financial liabilities measured at FVTPL (fair value through profit or loss)**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

- **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

- **Determination of fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Reclassification of financial assets and Liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets

which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available.

The amounts recognised represent the Group's best estimate of the transfer of benefits that will be required to settle the obligation as of the reporting date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised but are disclosed in the notes unless the likelihood of their crystallizing is remote.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

n) Earnings per share

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

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

o) Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Segment reporting policies

The main business of the Group 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 (IND AS - 108) on "Operating Segments".

(₹ in Lacs)

	Freehold Land and Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
2. Property, Plant and Equipment							
Cost							
At 31st March, 2016	12,552.60	670.10	337.27	527.46	123.05	31.13	14,241.61
Addition	-	-	0.90	-	2.47	4.89	8.26
Disposals	(960.06)	-	0.01	(6.37)	-	-	(966.42)
At 1st April, 2017	11,592.54	670.10	338.16	521.09	125.52	36.02	13,283.43
Addition	-	-	-	-	0.76	(2.04)	(1.28)
Disposals	-	(0.57)	(13.18)	(56.12)	(16.96)	(1.56)	(88.39)
Transfer	-	-	(11.33)	-	(7.66)	(3.76)	(22.75)
At 31st March, 2018	11,592.54	669.53	313.65	464.97	101.66	28.66	13,171.01
Depreciation							
At 31st March, 2016	732.53	96.30	80.07	118.29	63.04	10.70	1,100.93
Depreciation on additions	-	-	-	-	-	-	-
Depreciation charge for the year	225.97	96.65	75.57	121.19	24.16	11.46	555.00
Impairment	-	-	-	-	-	-	-
Disposals	(24.14)	-	-	(5.82)	-	-	(29.96)
At 31st March, 2017	934.36	192.95	155.64	233.66	87.20	22.16	1,625.97
Depreciation charge for the year	213.97	92.66	67.22	87.58	16.65	8.08	486.16
Impairment	-	-	-	-	-	-	-
Disposals	-	(0.29)	(15.69)	(47.96)	(19.79)	(7.28)	(91.01)
At 31st March, 2018	1,148.33	285.32	207.17	273.28	84.06	22.96	2,021.12
Net book value							
At 31st March, 2017	10,658.18	477.15	182.52	287.43	38.32	13.86	11,657.46
At 31st March, 2018	10,444.21	384.21	106.48	191.69	17.60	5.70	11,149.89
3. Investment Property							
Closing Balance as at 31st March, 2016							11,311.06
Closing Balance as at 31st March, 2017							11,311.06
Closing Balance as at 31st March, 2018							11,311.06
Depreciation							
Closing Balance as at 31st March, 2016							294.38
Depreciation charge for the year							188.00
Closing Balance as at 31st March, 2017							482.38
Depreciation charge for the year							189.55
Closing Balance as at 31st March, 2018							671.93
Net book value							
Closing Balance as at 31st March, 2018							10,639.13
Closing Balance as at 31st March, 2017							10,828.68

Note: The fair value of investment property has been determined having reference to the market values as prescribed under the ready recknor published by a competent authority, as the company believes that the current market price of similar properties in the vicinity is the best evidence of the fair value of such investment property. The FV measurement has been categorised as Level 2 based on inputs to valuation technique used

Information regarding Income and expenditure of Investment Property

Particulars	As at 31 st March 2018	As at 31 st March 2017
Rental income derived from Investment Properties	743.20	688.95
Less : Depreciation	(189.55)	(188.00)
Profit arising from investment properties before indirect expenses	553.65	500.95

		(₹ in Lacs)
Particulars		
4. Other Intangible assets		
Closing Balance as at 31st March, 2016		9.27
Additions		20.47
Closing Balance as at 31st March, 2017		29.74
Closing Balance as at 31st March, 2018		29.74
Depreciation		
At 31st March, 2016		5.36
Depreciation charge for the year		7.13
At 31st March, 2017		12.49
Depreciation charge for the year		7.52
At 31st March, 2018		20.01
Net book value		
At 31st March, 2018		9.72
At 31st March, 2017		17.24

		(₹ in Lacs)	
Particulars	31 st March 2018	31 st March 2017	
5. Investments (Non Current)			
Investments in Equity Instruments			
Other than trade (Unquoted Shares)			
Punjab and Maharashtra Co-op. Bank Limited	97.50	97.50	
1,90,000 (previous year 1,90,000) Equity Shares of ₹ 25/- each fully paidup			
Dreams The Mall Company Limited	9.40	9.40	
93,957 (previous year 93,957) Equity Shares of ₹ 10/- each fully paidup			
Privilege Hi Tech Infrastructure Limited	0.85	0.85	
8,500 (Previous year 8,500) Equity shares of ₹10/- each fully paidup			
	107.75	107.75	
Lashkaria Housing and Infrastructure Private Limited	1,544.00	1,544.00	
15,440 (previous year 15,440) 10% Redeemable Non Cumulative Preference shares of ₹ 10/- each fully paid			
	1,544.00	1,544.00	
	1,651.75	1,651.75	
6. Others (Non Current)			
Security Deposits	40.16	52.32	
Bank deposits with more than 12 months maturity	807.95	40.00	
	848.11	92.32	
7. Other non-current assets			
Advances other than capital advances	10,010.48	6,959.32	
Security Deposits - Prepaid Expenses	11.91	-	
Advances to related parties	23.82	23.82	
Income tax refund receivable	141.61	179.66	
Income tax paid	2,929.72	2,925.94	
	13,117.54	10,088.74	
8. Inventories:			
Work-in-progress	15,06,106.11	14,61,833.51	
Finished goods	25,572.78	22,180.17	
	15,31,678.89	14,84,013.68	

		(₹ in Lacs)	
Particulars	31 st March 2018	31 st March 2017	
9. Current Investments			
Investments in partnership firms			
M/s Fine Developers (Fixed Capital ₹ Nil)	1.57	1.57	
(Share of profit-90%, other partner and share of profit is Sapphire Land Development Private Limited - 10%.)			
Heritage Housing Development Corporation (Fixed Capital ₹ Nil)	100.00	100.00	
(Share of profit-60%, other partner and share of profit is Pioneer India Developers Private Limited - 40%.)			
Lashkaria Housing and Infrastructure Private Limited	793.28	793.28	
(Share of profit- 10%)			
	894.85	894.85	
10. Trade receivables			
Unsecured considered good	42,785.88	30,666.45	
	42,785.88	30,666.45	
11. Cash and cash equivalents			
Balances with Banks (of the nature of cash and cash equivalents);			
Current accounts	101.42	1,490.41	
Current Account balances in Escrow Account	142.98	66.33	
Cash on hand	129.57	110.88	
	373.97	1,667.62	
12. Bank balances			
In Fixed Deposit with less than a year*	11,269.58	11,030.99	
	11,269.58	11,030.99	
* includes fixed deposits of ₹ 1,856.47 lacs (previous year ₹ 1,088.45 lacs) pledged with bank as security for bank guarantees, and ₹ 9,373.28 lacs (previous year ₹ 7,942.26 lacs) pledged with bank as security for bank overdraft.			
13. Others			
Security Deposits	1,533.59	248.16	
Security Deposits -Prepaid Expenses	-	2.26	
Advances to related parties			
Other related parties	-	282.21	
Other advances			
Advance to suppliers	17,526.80	21,390.59	
Advances for land purchase /tenancy / claims / development rights	564.22	717.10	
Loans to employees	93.25	26.53	
Interest accrued on fixed deposits	690.88	837.52	
Others advances	-	74.33	
	20,408.74	23,578.70	
14. Others Current Assets			
Advance to suppliers	13,739.37	9,344.17	
Advances for land purchase /tenancy / claims / development rights	1,91,995.89	2,31,921.63	
Cenvat Credit	697.66	5.14	
Cenvat Credit entitlement	573.94	747.04	
Deferred Rent income (Straight line)	61.62	41.08	
Prepaid expenses	7.89	24.15	
	2,07,076.37	2,42,083.21	

(₹ in Lacs)

Particulars	31 st March 2018	31 st March 2017
15. Share Capital		
Authorised		
1,00,00,00,000 (previous year 1,00,00,00,000) Equity Share of ₹ 10/- each	1,00,000.00	1,00,000.00
Issued, Subscribed and Paid up		
43,40,03,986 (previous year 43,40,03,986) Equity Shares of ₹ 10/- each fully paid-up	43,400.40	43,400.40
	43,400.40	43,400.40

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.

(i) Reconciliation of the number of shares outstanding :

Particulars	Number	Number
Shares outstanding at the beginning of the year	43,40,03,986	41,90,03,986
Shares Issued during the year	-	1,50,00,000
Shares outstanding at the end of the year	43,40,03,986	43,40,03,986

(ii) Shares in the Company held by each shareholder holding more than 5 percent :

Particulars	Number %	31 st March, 2018	31 st March, 2017
Privilege Distilleries Private Limited	Number %	2,48,22,086 5.72%	2,48,22,086 5.72%
Dinshaw Trapinex Builders Private Limited	Number %	2,85,22,629 6.57%	2,85,22,629 6.57%
Dheeraj Consultancy Private Limited	Number %	2,85,22,630 6.57%	2,85,22,630 6.57%
Interactive Multimedia Technologies Private Limited	Number %	3,00,27,300 6.92%	3,00,27,300 6.92%
Orbis SICAV - Asia Ex- Japan Equity Fund	Number %	2,67,88,612 6.17%	3,92,75,550 9.05%

(₹ in Lacs)

Particulars	31 st March 2018	31 st March, 2017
16. Other Equity		
Capital Reserve	6.00	6.00
Capital redemption reserve	62.07	62.07
Securities Premium Reserve	5,04,616.65	5,04,616.65
Debenture Redemption Reserve	22,489.52	22,489.52
General Reserves	5,66,767.31	5,66,767.31
Retained Earnings	19,921.64	10,258.38
Money received against share warrants*	4,200.00	-
	11,18,063.19	11,04,199.93

*The Company had issued 2 Crores Convertible Warrants having option to apply for and be allotted equivalent number of equity shares of the face value of ₹ 10 each at a premium of ₹ 60.50 to Mr. Sarang Wadhawan, Promoter of the Company and accordingly all compliance of section 42 of the Act have been complied with.

(₹ in Lacs)		
Particulars	31 st March 2018	31 st March 2017
17. Non Current Borrowings		
Secured Long Term Borrowings :		
Nil (Previous year 2,267) Redeemable Non Convertible Debentures of ₹ 10 lacs each *	-	11,534.31
Term loans		
from banks	63,762.85	1,19,389.34
from financial institutions	10,184.49	31,589.58
	73,947.34	1,62,513.23

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

I) Secured Redeemable Non Convertible Debentures :-

Secured Redeemable Non Convertible Debentures (Non listed) :-

- Nil (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.
- 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 : 21(III)(b))

II) All the above debentures have been personally guaranteed by

- Executive Chairman of the Company
- Vice Chairman and Managing Director of the Company

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

IV) Loans from Scheduled Banks :

a) Yes Bank Limited:

Secured against Pari Passu charge on the immovable properties along with the structures built thereon, admeasuring 5,53,696 Sq. mtrs. Situated at village Kopari, District Thane, comprising of various survey numbers, admeasuring 4,18,006 Sq. mtrs further secured against Pari Passu charge on the Immovable properties situated at village Sasunavghar, District Thane, comprising of various survey numbers and pari-passu on all current assets of the project only including receivables/ future receipts pertaining to project. Rate of interest 15.50% (P.Y. 15.25%) p.a. payable monthly.

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.

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

Rate of Interest	Maturity Profile			Total
	Apr.2019- Mar. 2020	Apr.2020- Mar. 2021	Apr.2021- Mar. 2022	
Term loan Schedule banks	18,918.00	9,165.00	7,442.00	35,525.00
Term loan Financial institution	9,538.00	308.00	-	9,846.00
Total	28,456.00	9,473.00	7,442.00	45,371.00

(₹ in Lacs)

Particulars	31 st March 2018	31 st March 2017
18. Other financial liabilities (Non current)		
Security deposit - Prepaid Advance	178.42	189.29
	178.42	189.29
19. Provisions (Non current)		
Provision for employee benefits		
Gratuity	221.98	126.95
Leave Encashment	149.53	210.74
	371.51	337.69

(₹ in Lacs)

Particulars	31 st March 2018	31 st March 2017
20. Deferred tax liabilities (Net)		
Liabilities		
Related to fixed assets	3,181.75	3,394.70
Others	62.06	78.43
Assets		
Provision for gratuity	164.32	133.59
Provision for encashment of leave	88.01	116.99
Unabsorbed depreciation	8.61	14.68
Others	1.32	1.09
	2,981.55	3,206.78

20.01. Movement in Deferred Tax Balances

Particulars	Balance as at 31 st Mar, 2017	Movement during the year		Balance as at 31 st Mar, 2018
		Recognised in Profit & Loss	Recognised in Equity	
Property, Plant & Equipment and Intangible Assets	(3,394.70)	212.95	-	(3,181.75)
Lease Rental	(13.96)	(7.36)	-	(21.32)
Borrowing cost amortisation	(64.47)	23.73	-	(40.74)
Provision for gratuity	133.59	30.73	-	164.32
Provision for encashment of leave	116.99	(28.98)	-	88.01
Unabsorbed depreciation	14.68	(6.07)	-	8.61
Others	1.09	0.23	-	1.32
	(3,206.78)	225.23	-	(2,981.55)

Movement in Deferred Tax Balances

Particulars	Balance as at 31 st Mar, 2016	Movement during the year		Balance as at 31 st Mar, 2017
		Recognised in Profit & Loss	Recognised in Equity	
Property, Plant & Equipment and Intangible Assets	(2,094.76)	(1,299.94)	-	(3,394.70)
Lease Rental	(8.89)	(5.06)	-	(13.96)
Borrowing cost amortisation	(103.70)	39.23	-	(64.47)
Provision for gratuity	109.12	24.47	-	133.59
Provision for encashment of leave	124.04	(7.05)	-	116.99
Unabsorbed depreciation	13.33	1.35	-	14.68
Others	2.00	(0.91)	-	1.09
	(1,958.86)	(1,247.92)	-	(3,206.78)

Reconciliation of Effective Tax Rate

	31 st March, 2018	31 st March, 2017
Profit Before Tax	6,043.64	21,168.01
Current tax	1,195.15	4,432.21
Deferred tax	(233.92)	1,247.92
Tax of Prior years	(4,484.32)	(2,400.00)
	(3,523.09)	3,280.13

A reconciliation of income tax expenses application to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31st March, 2017 and 31st March, 2016 as follows:

Profit Before Tax	6,043.64	21,168.01
Income tax		
Statutory income tax on profit	1,151.62	4,517.25
Effect of exempt income, notional income and non-deductible expenses (net)	(190.39)	1,162.88
Tax expenses for current year	961.23	5,680.13
	15.90%	26.83%
Adjustment of tax of Prior years	(4,484.32)	(2,400.00)
Tax expenses recognised in the Statement of Profit & Loss	(3,523.09)	3,280.13

(₹ in Lacs)

Particulars	31st March, 2018	31st March, 2017
21. Current Borrowings		
Loans repayable on demand		
From banks	16,049.94	15,110.48
Loans from related parties	20.00	444.27
Other loans		
Term Loans from Scheduled Banks	95,378.30	46,779.39
Term loans from Financial Institutions	41,460.85	22,516.48
	1,52,909.09	84,850.62

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 14% (Previous year 13%)

II) Loans from Scheduled Banks :-

a) Central Bank of India :-

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.

b) The Jammu and Kashmir Bank :-

- i) Term loan - I - Interest rate is base rate +3.50% p.a. payable monthly.
- ii) Term Loan - II - Secured by 1st Charge on the cash flows, receivables and project agreements/ project escrow account and project DSRA 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.
- iii) Term Loan - III - Secured by 1st Charge on the cash flows, receivables, all current assets of the project and project agreements/ project escrow account and project DSRA of the free sale area and 1st charge by way of mortgage of development rights. Interest rate is base rate + 3.00 % p.a. payable monthly.

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

c) Allahabad Bank :-

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

d) Syndicate Bank :-

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

e) Yes Bank Limited:-

Secured by exclusive charge on Projects Metropolis, Galaxy and Majestic Towers on development rights. Repayable 33.33% every year from 36th month of its disbursement.

f) Union Bank of India

Secured by registered mortgage of immovable properties admeasuring 1,23,365 Sq.mtrs. situated at Village Chandansar and admeasuring 1,23,360 Sq.mtrs situated at village Doliv, Khardi, Koshimbi, Dahisar and Kasarali, Dist. Thane, comprising of various survey numbers, owned by Privilege Power And Infrastructure Private Limited. a subsidiary of the holding Company. Rate of interest 14.50% (previous year 14.50%) payable monthly.

The Company has proposed One time settlement to all it's lender of its outstanding banking facilities and Company has received sanction for such proposal from some lenders. In accordance with such approval, payments will be made to banks and upon full & final payments , respective securities mortgaged will be released by the banks.

III) Term Loans from Financial Institution :-

a) IL & FS - PMDO:-

- i) Rate of interest is 13.50% p.a. payable monthly.
- ii) Rate of interest of the Funded interest term loan is 13.50% p.a. payable monthly.

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

- iii) Secured by registered mortgage of Development rights of property admeasuring 24,400 Sq.mtrs located at Siddarth Nagar, Mumbai and first and exclusive registered mortgage of 51,880 Sq.mtrs of land located at Maljipada village Taluka Vasai. Rate of interest of 20.00% p.a. (previous year 20 % p.a.) payable quarterly.

The Company has proposed One time settlement to all it's lender of its outstanding banking facilities and Company has received sanction for such proposal from some lenders. In accordance with such approval, payments will be made to banks and upon full & final payments, respective securities mortgaged will be released by the banks.

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.
- 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. : 17 (I)).

IV) All the above loans have been personally guaranteed by

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

(₹ in Lacs)

Particulars	31st March, 2018	31st March, 2017
22. Trade payables (Current)		
Micro, Small and Medium Enterprises	-	-
Others	50,397.64	53,911.75
	50,397.64	53,911.75
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 years.		
23. Other financial liabilities (Current)		
Current maturities of long-term debt	-	4,774.17
Interest accrued -		
Due but not paid on loans	76,165.05	46,681.04
Not due on loans	331.69	276.28
Unpaid matured debentures and interest accrued thereon		
Principal	17,501.78	6,181.04
Interest accrued due but not paid on loans	3,021.24	7,170.24
Security deposit		
Security deposit received	2,783.18	2,094.57
Security deposit received - Prepaid	-	10.91
Others		
Due to employees	1,300.81	852.60
Others	14,047.57	19,775.04
	1,15,151.32	87,815.89

(₹ in Lacs)		
Particulars	31st March, 2018	31st March, 2017
24. Other current liabilities		
Revenue received in advance	2,40,161.80	2,12,689.56
Others		
Statutory dues	3,053.01	1,591.19
Others	37,791.89	56,137.41
	2,81,006.70	2,70,418.16
25. Provisions (Current)		
Provision for employee benefits		
Gratuity	261.39	276.31
Leave Encashment	110.31	139.03
	371.70	415.34
26. Current Tax Liabilities (Net)		
Provision for taxation	44,180.06	47,526.68
Less : Tax Paid	31,498.68	31,230.26
	12,681.38	16,296.42

(₹ in Lacs)		
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
27. Revenue From Operations		
Sale of Product		
Sale of commercial and residential units	16,550.41	41,113.50
Sale of development rights /FSI/Land /TDR	21,022.55	29,906.20
Other operating income		
Lease rental (Refer Note No. 27.1)	743.20	688.95
Others	458.91	668.14
	38,775.07	72,376.79
27.1 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 ₹ 743.20 lacs (previous year ₹ 688.95 lacs).		
28. Other income		
Interest received	967.05	1,047.57
Dividend received (From Co-operative Bank)	10.75	11.72
Finance Income	-	11.84
Maintenance Income	407.16	1,724.23
Income from sale of fixed assets	0.80	0.55
Income from sale of Shares	-	618.48
Miscellaneous income	0.10	36.77
	1,385.86	3,451.16

(₹ in Lacs)		
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
29. Cost of materials consumed		
Tenancy / claims / FSI / development rights/Land	-	21,968.45
Cost of material consumed	42,308.51	95,856.23
	42,308.51	117,824.68
30. Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		
Opening finished goods	22,180.17	32,292.94
Opening work-in-progress	14,32,063.64	13,30,793.42
Adjustments	27,505.91	4,773.05
Subtotal	14,81,749.72	13,67,859.41
Closing finished goods	25,572.78	22,180.17
Closing work-in-progress	15,06,106.11	14,61,833.51
Subtotal	15,31,678.89	14,84,013.68
	(49,929.17)	(1,16,154.27)
31. Employee benefits expense		
Salaries and incentives	2,726.81	3,559.82
Contributions to - Provident and other funds	381.11	263.40
Staff welfare expenses	52.29	63.46
	3,160.21	3,886.68

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

The Company has created Employee's Group Gratuity Fund with Life Insurance Corporation of India, and obtained Group Gratuity Assurance Policy from LIC for the benefit of employees.

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.

(₹ in Lacs)		
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
i) Reconciliation of defined benefit obligation		
Obligation at beginning of year	562.40	541.29
Current service cost	38.74	69.98
Interest cost	40.73	40.71
Actuarial loss/(gain) due to change in financial assumptions	(21.94)	29.02
Actuarial loss/ (gain) due to experience	(81.10)	(49.82)
Past service cost	111.86	-
Benefits paid	(86.05)	(68.79)
Obligation at year instead of year end	564.64	562.39
ii) Reconciliation of plan assets		
Opening fair value of plan assets	159.14	211.77
Interest Income	11.52	-
Return on plan assets excluding amounts included in interest income	(3.35)	18.00
Assets distributed on settlements	-	(2.41)
Assets acquired in an amalgamation in the nature of purchase	-	0.57
Benefits paid	(86.05)	(68.79)
Closing fair value of plan assets	81.26	159.14

		(₹ in Lacs)	
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017	
iii) Funded status of the plan			
Present value of funded obligations	564.64	562.40	
Fair value of plan assets	81.27	159.14	
Net asset / (liability) recognised in the Balance Sheet	(483.37)	(403.26)	
iv) Profit and loss account for current year			
Service cost:			
Current service cost	38.74	69.98	
Past service cost and loss/(gain) on curtailments and settlement	111.86	-	
Net interest cost	29.21	22.71	
Total included in 'Employee Benefit Expense'	179.81	92.69	
Expenses deducted from the fund	-	-	
Total Charge to P&L	179.81	92.69	
v) Other Comprehensive Income for the current year			
Actuarial loss/(gain) due to change in financial assumptions	(21.94)	29.02	
Actuarial loss/ (gain) due to experience adjustments	(81.10)	(49.82)	
Return on plan assets excluding amounts included in interest income	3.35	2.41	
Amounts recognized in Other Comprehensive Income	(99.69)	(18.39)	
vi) The weighted average duration of the defined benefit obligation is 21.62 years (Previous year 23.10 years)			
Expected Cash flow based on past service liability			
Expected benefits for year 1	47.49	33.45	
Expected benefits for year 2 to year 5	146.70	141.56	
Expected benefits beyond year 5	1,349.39	1,959.40	
vii) Sensitivity Analysis			
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:			
Discount rate varied by 0.5%			
+ 0.5%	535.82	515.29	
- 0.5%	595.92	567.52	
Salary growth rate varied by 0.5%			
+ 0.5%	589.01	559.10	
- 0.5%	541.12	522.55	
viii) Investment Details			
Policy of Insurance	100%	100%	
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. The following table set out the status of the leave encashment plan as required under Ind AS - 15			
i) Reconciliation of defined benefit obligation			
Obligation at beginning of period	349.77	370.27	
Current service cost	32.56	60.97	
Interest cost	25.34	27.48	
Actuarial loss/(gain) due to change in financial assumptions	(8.34)	16.82	
Actuarial loss/(gain) due to change in demographic assumption	0.24	21.47	
Actuarial loss/ (gain) due to experience	(139.72)	(147.25)	
Obligation at period end	259.85	349.76	

(₹ in Lacs)

Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
ii) Funded status of the plan		
Present value of unfunded obligations	259.84	349.77
Fair value of plan assets	-	-
Net asset / (liability) recognised in the Balance Sheet	259.84	349.77
iii) Profit and loss account for current year		
Service cost:		
Current service cost	32.56	60.97
Net interest cost	25.34	27.48
Net Value of remeasurements on the obligation and plan assets	(147.82)	(108.95)
Total included in 'Employee Benefit Expense'	(89.92)	(20.50)
Total Charge to P&L	(89.92)	(20.50)
Actuarial loss / (Gain)		
Actuarial loss/(gain) due to change in financial assumptions	(8.07)	16.47
Actuarial loss/(gain) due to change in demographic assumption	-	21.34
Actuarial loss/ (gain) due to experience adjustments	(138.79)	(145.67)
Amounts recognized in Other Comprehensive Income	(146.86)	(107.86)
iv) Expected Cash flow based on past service liability		
Expected benefits for year 1	26.71	37.61
Expected benefits for year 2 to year 5	81.37	99.90
Expected benefits beyond year 5	477.43	137.69
v) Sensitivity Analysis		
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:		
Discount rate varied by 0.5%		
+ 0.5%	243.44	329.15
- 0.5%	265.96	360.39
Salary growth rate varied by 0.5%		
+ 0.5%	265.97	360.35
- 0.5%	243.33	329.05
C) Valuation Assumptions		
Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.		
i) Discount Rate	7.25%	7.25%
ii) Salary Growth	7.00%	7.00%
iii) Expected rate of return	: This assumption is required only in case of funded plans. The level of returns would depend on the nature of assets and the prevailing economic scenario	
iv) Mortality	: Indian Assured Lives Mortality (2006-08)	
v) Withdrawals	: 5% at younger ages reducing to 1% to older ages	
vi) Retirement age	: 60 or 65 years	
vii) Leave Consumption Factors	: 2.50% at all ages (previous year 1.75%)	
viii) Method of Valuation	: Projected Unit Credit Method	

(₹ in Lacs)		
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
32. Finance costs		
i) Interest		
(a) Project specific interest expenses	32,800.27	38,170.81
(b) Other interest	2,117.67	4,533.80
ii) Ind As adjustment - Other interest	-	2.21
iii) Deferred Expenses - Loan	-	117.66
	34,917.94	42,824.48
33. Other expenses		
Advertisement and sales promotion expenses	40.73	267.41
Commission and brokerage	5.18	434.69
Electricity charges	457.07	763.63
Insurance charges	3.08	5.00
Bank Charges	10.73	16.17
Other expenses	217.50	538.95
Loss on sale of fixed assets	0.56	-
Loss on foreign exchange fluctuation -net	(0.02)	1.51
Membership and subscription	10.37	10.97
Printing and stationery	42.01	48.47
Security charges	247.28	604.41
Professional fees	1,073.66	1,007.10
Rent paid (Refer Note 33.01)	42.99	55.34
Rates and taxes	36.98	1,108.32
Repairs and maintenance to buildings	1.65	2.66
Repairs and maintenance to other assets	4.11	13.16
Stamping and registration	413.89	26.25
Communication expenses	58.90	79.42
Postages and telegram expenses	11.91	16.29
Travelling and conveyance expenses	122.82	182.67
Remuneration to auditors	60.96	134.13
Directors remuneration, commission and sitting fees	111.69	210.64
Donations	2.25	0.25
Filing fees paid to the Registrar of Companies	0.26	0.80
Total	2,976.56	5,528.24
Above expenses includes Project related expenses	1,319.55	3,221.22
33.1 Assets taken on lease :		
i) General description of leasing arrangement		
(a) Leased assets : Residential and Commercial Premises		
(b) Future lease rentals are determined on the basis of agreed terms.		
(c) 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.		
ii) Total operating lease expenses debited to the Statement of Profit and Loss ₹ 42.99 lacs (previous year ₹ 55.34 lacs)		
iii) Total minimum lease payments payable		
Not more than one year	5.72	33.80
Not less than one year and not more than five years	-	5.72
More than five years	-	-

(₹ in Lacs)		
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
33.2 Remuneration to Auditors		
i) Audit fees	60.96	72.16
ii) Taxation matters	-	61.97
	60.96	134.13
33.3 Managerial Remuneration		
Commission to Non Executive Directors	102.29	199.20
Sitting fees	9.40	11.44
	111.69	210.64

(₹ in Lacs)		
Particulars	Year ended 31 st March 2018	Year Ended 31 st March 2017
34. Earnings Per Equity Share Has Been Computed As Under:		
(i) Net profit after tax as per Statement of Profit and Loss	9,566.73	17,887.88
(ii) Number of fully paid equity shares used in computing earnings per equity share		
Basic	42,91,13,575	42,91,13,575
Diluted	42,91,13,575	42,91,13,575
(iii) Basic Earnings per share		
(iv) Diluted Earnings per share	2.23	4.16
(v) Nominal value per equity share is ₹ 10/- fully paid	2.22	4.16
35. 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)	35,188.40	35,188.40
(ii) Income-tax demands disputed by the Company (net of amounts provided) The matters in dispute are under appeal. The demands have been paid / adjusted and will be received as refund if the matters are decided in favour of the Company In the opinion of the management the above claims are not sustainable	1,62,845.85	1,00,810.82
b) Guarantees provided by the bank	652.02	652.02
(i) Includes Bank Gurantee of ₹ 10.00 lacs (previous year Nil) to Pollution Control Board, Lucknow on behalf of the HC Infracity Private Limited	-	-
(ii) The Company has facilitated a vendor financing, setting up with IDBI bank limit upto ₹ 5,000.00 lacs. The Company has extended it's corporate guarantee to the IDBI bank.	5,000.00	5,000.00
36. CAPITAL COMMITTEMENT		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	Nil	Nil
37. RELATED PARTY DISCLOSURE		
A. List of related parties with whom transactions have taken place during the current accounting year and relationship:		
Enterprise significantly influenced by key management personnel		
Privilege Airways Private Limited		
Joint Venture		
Fine Developers		
Heritage Housing Development Corporation		
Key management personnel		
Shri Darshan D. Majmudar		
Smt. Romy Mehra		
Shri. Gautam Mehra		

B. Transactions with related party

(₹ in Lacs)

Nature of transaction	31 st March, 2018				31 st March, 2017			
	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
Salary paid	-	-	60.00	60.00	-	-	60.00	60.00
Sale of FSI/Property	-	-	-	-	5,728.90	-	-	5,728.90
Travelling expenses repaid	23.55	-	-	23.55	41.02	-	-	41.02
Outstanding as at year end- Due from	-	101.58	-	101.58	-	101.58	-	101.58
Outstanding as at year end- Due to	112.29	-	-	112.29	88.74	-	-	88.74

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

(₹ in Lacs)

Particulars	31 st March, 2018	31 st March, 2017
Traveling Expenses repaid		
Privilege Airways Private Limited	23.55	41.02
	23.55	41.02
Sale of commercial units		
Privilege Industries Limited	-	5,728.90
	-	5,728.90
Salary paid		
Shri Darshan D. Majmudar	60.00	60.00
	60.00	60.00
Outstandings:		
Outstanding as at year end- Due from		
Fine Developers	1.58	1.58
Heritage Housing Development Corporation	100.00	100.00
	101.58	101.58
Outstanding as at year end- Due to		
Privilege Airways Private Limited	112.29	88.74
	112.29	88.74

38. FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class, financial liability and equity instruments are disclosed in note no 1.1 (I) to the financial statements.

A) Financial Assets and Liabilities

The Carrying values of Financial Assets and Liabilities have been given under :

(₹ in Lacs)

31 st March, 2018	Carrying amounts			Total
	Fair value through profit and loss	Fair value through Other Comprehensive Income	Amortised cost	
Financial Assets				
Non Current				
Investments				
Investment in Equity instruments	-	107.75	-	107.75
Investment in Preference Shares	-	-	-	-
Other Non Current Financial Assets	-	-	848.11	848.11
Current				
Investments	-	-	894.85	894.85
Trade receivables	-	-	42,785.88	42,785.88

				(₹ in Lacs)
31 st March, 2018	Carrying amounts			Total
	Fair value through profit and loss	Fair value through Other Comprehensive Income	Amortised cost	
Cash and cash equivalents	-	-	373.97	373.97
Bank balances	-	-	11,269.58	11,269.58
Others	-	-	21,741.96	21,741.96
Financial Liabilities				
Non Current				
Borrowings	-	-	74,131.68	74,131.68
Other financial liabilities	-	-	178.42	178.42
Current				
Borrowings	-	-	152,909.09	152,909.09
Trade payables	-	-	50,397.64	50,397.64
Other financial liabilities	-	-	115,151.32	115,151.32
31 st March, 2017	Carrying amounts			Total
	Fair value through profit and loss	Fair value through Other Comprehensive Income	Amortised cost	
Financial Assest				
Non Current				
Investments				
Investment in Equity instruments	-	107.75	-	107.75
Investment in Preference Shares	-	-	-	-
Other Non Current Financial Assets	-	-	92.32	92.32
Current				
Investments	-	-	894.85	894.85
Trade receivables	-	-	30,666.45	30,666.45
Cash and cash equivalents	-	-	1,667.62	1,667.62
Bank balances	-	-	11,030.99	11,030.99
Others	-	-	23,578.69	23,578.69
Financial Liabilities				
Non Current				
Borrowings	-	-	162,513.23	162,513.23
Other financial liabilities	-	-	189.29	189.29
Current				
Borrowings	-	-	84,850.62	84,850.62
Trade payables	-	-	53,911.75	53,911.75
Other financial liabilities	-	-	87,815.89	87,815.89

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2018 and 31st March, 2017 approximate the Fair Value because of their short term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant each of year presented.

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Company has fair valued the transaction of financial guarantee (under Other Financial Liabilities) on the basis of internal comparables of a similar transaction with an unrelated party. The fair value so determined will therefore be classified under Level 2. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair valued measurements and the cost represents estimate of fair valued within that range.

C) Financial risk management

i) Risk management framework

- a) The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have established the risk management committee, which is responsible for developing and monitoring the risk management policies. The Company reports regularly to the Board of Directors on its activities.
- b) The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which the employees understand their roles and obligations.
- c) The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii) The Company has exposure to the following risks from the financial instruments:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in debt securities, loans given to related parties and project deposits.

The carrying amount of financial assets represents the maximum credit exposure.

• Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's Credit risk in this respect.

The Company's credit risk with regard to trade receivables has a high degree of risk diversification, due to the large number of projects of vary in sizes and types with numerous different customer categories in a large number of geographical markets.

Based on prior experience and an assessment of the current economic environment, management believes there is no credit risk provision required. Also the Company does not have any significant concentration of credit risk.

The ageing of trade receivables is as follows:

	(₹ in Lacs)	
	31 st March, 2018	31 st March, 2017
Trade Receivables (Unsecured)		
Over six months	17,972.40	12,324.11
Less than six months	24,813.49	18,342.33
	42,785.89	30,666.44

The amounts reflected in the table above are not impaired as on the reporting date.

• Investment in Debt securities, Loans to Related Parties and Deposits

The Company has investments in non-convertible preference shares, loans to related parties and project deposits. Based on prior experience and assessments performed by the management such financial Assets are not impaired as on the reporting date.

• Cash and Bank Balances

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

• Exposure to Liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2018

	(₹ in Lacs)		
	Due within 12 months	Due in 1 to 3 year	More than 3 years
Financial Liabilities			
Borrowings	201,058.57	43,299.65	-
Trade payables	50,397.64	-	-
Other financial liabilities	94,866.35	-	2,783.18

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2017

	Due within 12 months	Due in 1 to 3 year	More than 3 years
Financial Liabilities			
Borrowings	95,805.83	126,568.92	36,236.45
Trade payables	53,911.75	-	-
Other financial liabilities	74,755.20	-	2,105.48

c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

• Currency risk

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

• Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management is as follows :

	(₹ in Lacs)	
Particulars	31 st March, 2018	31 st March, 2017
Financial Assets		
Fixed rate instruments		
Bank Deposits		
- Current	11,269.58	11,030.99
- Non Current	807.95	40.00
Financial Liabilities		
Fixed rate instruments		
Borrowing - Non Convertible Debentures	17,501.78	22,489.52
Variable rate instruments		
Borrowing		
- From Schedule Bank	1,75,375.43	1,81,571.35
- From Financial institutions	51,645.34	54,106.06

Fair value sensitivity analysis for fixed rate instruments

Fixed rate financial assets / liabilities are carried out at amortised cost. Therefore they are not subject to interest rate risk since, neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. Given that the Company capitalises interest to the cost of inventory to the extent permissible, the amounts indicated below may have an impact on reported profits over the life cycle of projects to which such interest is capitalised. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposure outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	100 BP Increase	100 BP Decrease
31st March, 2018		
Financial Liabilities		
Variable rate instruments		
Borrowing	(1,608.25)	1,608.25
31st March, 2017		
Financial Liabilities		
Variable rate instruments		
Borrowing	(1,988.90)	1,988.90

39. CAPITAL MANAGEMENT

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

40. POST REPORTING EVENTS:

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31st March, 2018 were approved by the Board of Directors on 30th May, 2018.

42. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.
43. The IT Department have appealed against the IT Tribunal's order, advising the IT Department for reassessment of Computation of Income of the block assessment of Income Tax for the Assessment Year 2009-10, 2010-11, 2011-12. The matter is Pending.
44. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates

Chartered Accountants,
Firm Registration Number: 123005W

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Vice Chairman & Managing Director

Raj Kumar Aggarwal

Director

SVN Rajeswari

Proprietor
Membership No. 112940

Lalit Mohan Mehta

Director

Hazari Lal

Director

Sandhya Baliga

Director

Place : Mumbai

Date: 30th May, 2018

Darshan Majmudar

Chief Financial Officer and
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

Year ended 31/03/2018

Particulars	HDIL	Privilege Power and Infrastructure Private Limited	Blue Star Realtors Private Limited	BKC Developers Private Limited	Guruashish Constructions Private Limited	Mazda Estate Private Limited	Lashkaria Construction Private Limited
Paid-up share capital	43,400.40	16,105.00	691.09	10.00	1,700.00	41.00	1,000.00
Reserves and surplus	11,02,479.44	21,360.88	27,835.43	(62.00)	55,848.83	(3.62)	432.77
Total assets	16,21,730.44	1,65,663.18	49,929.03	6,616.52	1,15,623.98	42.56	7,110.95
Total liabilities	4,75,850.60	1,28,197.31	21,402.51	6,668.52	58,075.16	5.18	5,678.18
Investments (excluding investments in subsidiaries)	158.47	25.85	25.00	-	-	-	-
Turnover (including other income)	40,237.06	724.23	2.75	-	-	-	0.00
Profit before tax	5,944.84	188.44	2.01	(0.37)	(2.38)	(0.22)	(3.43)
Provision for Current & Deferred tax	3,587.66	(60.77)	(0.65)	-	0.01	-	(3.26)
Profit after tax	9,532.50	127.67	1.35	(0.37)	(2.37)	(0.22)	(6.69)
Other Comprehensive income	95.78	3.92	-	-	-	-	-
Total comprehensive income	9,628.28	131.59	1.36	(0.37)	(2.37)	(0.22)	(6.69)
Proposed dividend	-	-	-	-	-	-	-
% of Shareholding	-	100.00%	100.00%	98.50%	100.00%	100.00%	69.00%

As per our Report of even date attached For and on behalf of the Board of Directors

For Rajeswari & Associates

Chartered Accountants,

Firm Registration Number: 123005W

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Vice Chairman & Managing Director

Raj Kumar Aggarwal

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SVN Rajeswari

Proprietor

Membership No. 112940

Lalit Mohan Mehta

Director

Hazari Lal

Director

Sandhya Baliga

Director

Place : Mumbai

Date : 30th May, 2018

Darshan Majmudar

Chief Financial Officer and

Company Secretary

NOTES

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HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

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