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**THE  
HINDUSTAN HOUSING  
COMPANY LIMITED**



**81<sup>st</sup> Annual Report  
2016-2017**

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## THE HINDUSTAN HOUSING COMPANY LIMITED

**Board of Directors** Vinaya Mehrotra - Chairman  
 Vinod Nevatia  
 Sanjivnayan Bajaj  
 Minal Bajaj

**Key Managerial Personnel** Vijay Bohra, Chief Financial Officer  
 Pradeep Dhruva, Company Secretary

**Statutory Auditors** K. K. Mankeshwar & Co., Chartered Accountants

**Bankers** Central Bank of India

**Registered Office** Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg,  
 226, Nariman Point, Mumbai - 400 021.

**Registrar and Share Transfer Agents** Bigshare Services Pvt. Ltd.  
 Registered Office Address :  
 E-2/3, Ansa Industrial Estate,  
 Saki - Vihar Road, Saki Naka,  
 Andheri (E), Mumbai - 400 072.

Corporate Office Address :  
 1st Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis Apartments,  
 Next to Keys Hotel, Marol Maroshi Road,  
 Andheri (E), Mumbai - 400 059.

**Corporate Identification No. (CIN)** L45200MH1934PLC002346

**Website** [www.hhclbajaj.com](http://www.hhclbajaj.com)

## **NOTICE**

**NOTICE** is hereby given that the Eighty-First Annual General Meeting of the Members of The Hindustan Housing Company Ltd. will be held on **Thursday, 7<sup>th</sup> September, 2017 at 4.30 p.m.** at the Registered Office of the Company at Bajaj Bhawan, 2nd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021, to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2017 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sanjivnayan Bajaj (DIN: 00014615), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of the current auditors, M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration No: FRN 106009W), as the Statutory Auditors of the Company and to fix their remuneration for the Financial Year 2017-2018 and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration No : FRN 106009W), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Eighty-Fifth Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

### **NOTES:**

1. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members of the Company will remain closed from **1<sup>st</sup> September, 2017 to 7<sup>th</sup> September, 2017** (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
  
A person can act as a proxy on behalf of members up to and not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
3. The Proxy Forms in order to be valid and effective should be deposited at the Registered Office of the Company not less than Forty-eight (48) hours before the commencement of the Meeting.
4. Members are requested to notify the change in their address, if any, to the Company or the Registrar and Share Transfer Agents viz. Bigshare Services Pvt. Ltd. immediately.
5. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

6. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, M/s K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) were appointed by the shareholders at the 80th Annual General Meeting to hold office for a second term of 5 consecutive years to hold office from the conclusion of 80<sup>th</sup> Annual General Meeting until the conclusion of the 85<sup>th</sup> Annual General Meeting, subject to ratification by shareholders at each Annual General Meeting.

The members are requested to ratify the appointment of M/s K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) as Statutory Auditors of the Company and to fix their remuneration for the financial year 2017-2018.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical format can submit their PAN Card details to the Company or Bigshare Services Pvt. Ltd. at their email id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
8. The Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 has prescribed a new format of Register of Members to be maintained in Form MGT-1 which requires the Company / RTA to record additional details of shareholders such as PAN, e-mail address, Bank Details for payment of dividend, UID Aadhaar No., Nomination Details etc. A Form for recording such additional details is annexed to this Annual Report. Members holding shares in physical form are requested to submit the duly completed forms to the Company or Bigshare Services Pvt. Ltd. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
9. To receive shareholders' communication through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their email address with Bigshare Services Pvt. Ltd. at their email id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
10. Members/Proxies are requested to bring the copies of Annual Report to the meeting.

11. **Voting through electronic means**

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called "the Rules" for the purpose of this section of the Notice) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing facility to exercise votes on the items of business given in the Notice through remote electronic voting system to members holding shares as on **31<sup>st</sup> August, 2017** (End of Day) being the Cut-off date (Record Date for the purpose of Rule 20 (2) (ii) of the Rules) fixed for determining the voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Central Depository Services Ltd. (CDSL).

**The instructions for members for voting electronically are as under:-**

- (i) The voting period begins on **4<sup>th</sup> September, 2017 at 9.00 a.m. and ends on 6<sup>th</sup> September 2017 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date

(record date) of **31<sup>st</sup> August, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/ Postal Ballot Form/mail) in the PAN field.</li> </ul>
	<ul style="list-style-type: none"> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with serial number I then enter RA0000000I in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for **THE HINDUSTAN HOUSING COMPANY LTD.**
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins **4<sup>th</sup> September 2017 at 9.00 a.m. and ends on 6<sup>th</sup> September, 2017 at 5.00 p.m.** During this period shareholders’ of the Company, holding shares either in

physical form or in dematerialized form, as on the cut-off date of **31<sup>st</sup> August, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**For members who wish to vote using Ballot Form:**

Members may fill in the Ballot Forms (in lieu of remote E-voting), enclosed with the Notice and submit the same in a sealed envelope to the Scrutinizer, **M/s Swati Nerurkar & Co.**, Company Secretaries, (FCS No. 18110 CP No. 8193), C/o Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400072 or to her email: [swati@swatinerurkar.com](mailto:swati@swatinerurkar.com), so as to reach by 5.00 p.m. on **6<sup>th</sup> September 2017**. Ballot Forms received thereafter will strictly be treated as if not received. Unsigned, incomplete, or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

**In the event, a member casts his votes through both the processes i.e. remote E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.**

**General Instructions:-**

- (1) The Company has appointed **M/s Swati Nerurkar & Co.**, Company Secretaries, (FCS No. 18110, CP No. 8193), having address as 102, 1st Floor, K-Guru Residency, Tower II, Dharmadas Lane, Babhai Naka, Off. Lokmanya Tilak Road, Borivali (W), Mumbai – 400 092 as the Scrutinizer to the e-voting process, (including voting through Ballot Form received from the Members), to scrutinize the same in a fair and transparent manner.
- (2) The Scrutinizer shall, after the closure of remote E-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (3) In the event of a poll, please note that the members who have exercised their right to vote by electronic means/through ballot form as above shall not be eligible to vote by way of poll at the Meeting. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through E-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- (4) The members who have not exercised their right to vote through remote E-voting, and have not submitted Ballot Forms (in lieu of E-voting) so as to reach the Scrutinizer before 5.00 p.m. on 6<sup>th</sup> September, 2017, will be given Ballot papers to cast their vote at the venue of the AGM.
- (5) The Scrutinizer shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the Scrutiniser’s Report shall be placed on the Company’s website [www.hhclbajaj.com](http://www.hhclbajaj.com) and on the website of Bigshare - [www.bigshareonline.com](http://www.bigshareonline.com) within two days of the passing of the resolutions at the 81<sup>st</sup> Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges.

By Order of the Board of Directors  
For **The Hindustan Housing Company Ltd.**

**Pradeep Dhruva**  
Company Secretary

Mumbai : 29<sup>th</sup> May, 2017

## **DIRECTORS' REPORT**

Your Directors present the Eighty-First Annual Report and Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2017.

### **I. Financial Results :**

	<b>F. Y.</b>	<b>F. Y.</b>
	<b><u>2016-2017</u></b>	<b><u>2015-2016</u></b>
	<b>₹</b>	<b>₹</b>
Profit for the year before tax	1,74,62,816	79,62,685
Less : Provision for Taxation	<u>28,51,227</u>	<u>23,07,114</u>
Profit after Tax	1,46,11,589	56,55,571
 <b><u>Add/(Less) :</u></b>		
Tax in respect of earlier years (Net)	(2,56,698)	(35,768)
Balance brought forward from previous year	<u>16,76,754</u>	<u>1,60,56,951</u>
Balance available for appropriation	1,60,31,645	2,16,76,754
 <b><u>Less : Appropriations:</u></b>		
Proposed Dividend	—	—
Tax on Proposed Dividend	—	—
Transfer to General Reserve	(70,00,000)	(2,00,00,000)
Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013	—	—
Balance carried to Balance Sheet	<u>90,31,645</u>	<u>16,76,754</u>

### **2. Dividend:**

The Board of Directors of the Company do not recommend any dividend on Equity Shares of the Company for the Financial Year ended on 31<sup>st</sup> March, 2017.

### **3. Transfer to Reserves:**

The Company has transferred Rs. 70.00 Lacs to the General Reserve during the year.

### **4. Operations of the Company:**

The Company is engaged in the business of providing administrative and allied services to Bajaj Group Entities only.

There was no change in the nature of business of the Company during the year.

### **5. Share Capital:**

The paid up Equity Share Capital of the Company was Rs. 6,08,645/- as on 31<sup>st</sup> March 2017. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options during the year.



**6. Extract of Annual Return:**

An extract of the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed Form MGT- 9 is annexed to this Report as Annexure A.

**7. Number of Meetings of the Board:**

During the year, 4 (Four) meetings of the Board of the Directors of the Company were convened and held.

**8. Director's Responsibility Statement:**

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made therefrom;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended as at 31<sup>st</sup> March, 2017 and of the profit of the Company for the said period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**9. Declaration of Independence:**

The Independent Directors of the Company have submitted their Declaration of Independence, as required under the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149 (6).

**10. Remuneration Policy:**

The Board on the recommendation of the Nomination and Remuneration Committee had framed a Remuneration Policy which includes (a) criteria for determining the qualifications, positive attributes and independence of a director and (b) matters relating to the remuneration for directors, key managerial personnel and other employees. The detailed Remuneration Policy is placed on the Company's website [www.hhclbajaj.com](http://www.hhclbajaj.com).

**11. Particulars of Loans, Guarantees and Investments:**

The Company has not given any loans/guarantees to any other entities during the financial year. Information regarding Investments covered under the provisions of Section 186 of the Companies Act, 2013 is mentioned in detail in the financial statements annexed to this Report.

**12. Related Party Transactions:**

There were no related party transactions entered into by the Company during the financial year which attracted the provisions of Section 188 of the Companies Act, 2013 as all related party transactions that were entered into by the Company during the year were on an arm's length basis and were in the

ordinary course of the Company's business. Hence there are no transactions which are required to be disclosed in Form AOC-2.

**13. Material Changes and Commitments:**

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

**14. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo:**

The Company being a Service Company and not having carried out any manufacturing activities during the year under review, the Directors have nothing to report on 'Conservation of Energy' 'Research & Development' and 'Technology Absorption' as required to be given under Rule 8 of the Companies (Accounts) Rules, 2014.

Further, there were no foreign exchange earnings and/or outgo during the year under review.

**15. Deposits:**

The Company has not invited, accepted or renewed any deposits within the meaning of the provisions of Sections 2(31) and 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review.

**16. Significant and Material Orders passed by the Regulators or Courts:**

There were no significant and material orders passed by the Regulators and Courts or Tribunals during the year under review which would impact the going concern status of the Company and its future operations.

**17. Risk Management Policy:**

The Board has laid down procedures for assessing the risk and procedure to be followed for risk minimization, including identification therein of elements of risk which may threaten the existence of the Company. These are periodically reviewed to ensure that Management identifies and controls risk through a properly defined framework.

**18. Corporate Social Responsibility:**

The Company has not crossed the threshold limits as specified in Section 135 of the Companies Act, 2013. Hence, the provisions of Section 135 of the Companies Act, 2013 relating to CSR initiatives which need to be undertaken by a Company are not applicable to this Company.

**19. Performance Evaluation of the Board:**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors. The manner in which such formal annual evaluation was made by the Board is given below:

- Performance Evaluation Criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting held on 27<sup>th</sup> March, 2015.
- Based on the said criteria, Annual Rating sheets were filled by each of the directors with regard to evaluation of performance of the Board, its Committees and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the Ratings given by each of the directors was then prepared, based on which a Report of performance evaluation was prepared by the Chairman of the Nomination & Remuneration Committee in respect of the performance of the Board, its Committees and Directors during the year under review.

- The Report of performance evaluation so arrived at was then noted and discussed by the Nomination & Remuneration Committee and Board at their meetings held on 29<sup>th</sup> May 2017.
- As per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the director. During the year under review, there was no occasion to review on the continuance of the term of appointment of any of the directors and hence the question of taking a decision on their re-appointment did not arise.

**20. Adequacy of Internal Financial Controls:**

Internal financial controls with reference to the financial statements were adequate and operating effectively.

**21. Directors and Key Managerial Personnel:**

Shri Sanjivnayan Bajaj, (DIN : 00014615) Director of the Company retires by rotation and being eligible offers himself for reappointment. The Board recommends his reappointment.

**22. Board of Directors:**

As per the provisions of Section 149 of the Companies Act, 2013 read with the Rules made thereunder, the Company is required to have at least one third of the total number of directors as independent directors and at least one woman director on its Board.

As on 31<sup>st</sup> March 2017, the Board of Directors of the Company consisted of four directors, of whom two were non-executive independent and two were non-executive and non-independent (including one woman director) as per details given in the Table below. The Board has no institutional nominee directors. The Company has a non-executive Chairman.

	<b>Name of the Director</b>	<b>Category</b>
1	Shri Vinaya Mehrotra	Chairman, Non-Executive & Independent
2	Shri Vinod Nevatia	Non-Executive & Independent
3	Shri Sanjivnayan Bajaj	Non-Executive
4	Smt. Minal Bajaj	Non-Executive

**23. Board Committees:**

**Audit Committee**

Pursuant to the Section 177 of the Companies Act, 2013, an Audit Committee was constituted by the Board at its meeting held on 5<sup>th</sup> February, 2015 with the following members:

1. Shri Vinaya Mehrotra (Chairman)
2. Shri Vinod Nevatia (Member)
3. Smt. Minal Bajaj (Member)

**Vigil Mechanism**

Pursuant to the Section 177(9) of the Companies Act, 2013, a Vigil Mechanism had been established by the Board at its meeting held on 5<sup>th</sup> February, 2015. The policy is placed on the website of the Company [www.hhclbajaj.com](http://www.hhclbajaj.com).

**Nomination and Remuneration Committee**

Pursuant to the Section 178 of the Companies Act, 2013, a Nomination and Remuneration Committee was constituted by the Board at its meeting held on 5<sup>th</sup> February, 2015 with the following members:

- |    |                      |            |
|----|----------------------|------------|
| 1. | Shri Vinod Nevatia   | (Chairman) |
| 2. | Shri Vinaya Mehrotra | (Member)   |
| 3. | Smt. Minal Bajaj     | (Member)   |

**24. Presentation of Financial Results:**

The financial results of the Company for the financial year ended on 31<sup>st</sup> March, 2017 have been disclosed as per Schedule III to the Companies Act, 2013.

**25. Statutory Disclosures:**

Disclosure of Particulars as required to be given under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- (a) The Company does not pay any remuneration to its Directors except payment of sitting fees for attending meetings of the Board of Directors and its Committees as a member thereof.
- (b) The Company does not pay any remuneration to its CFO as he has been taken on deputation from a Group Company.
- (c) The Company did not have any employee whose particulars are required to be given by it under Rule 5(2) and 5(3) of the aforesaid Rules.
- (d) Particulars of other employees of the Company as required to be given under Rule 5(1) of the aforesaid Rules shall be made available to any shareholder on a specific request made by him in writing.

A Cash Flow Statement of the Company for the Financial Year 2016-2017 is attached to the Balance Sheet.

The Company does not have any subsidiaries, associates or joint venture companies.

Pursuant to the provisions of Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015, a Report on Management Discussion and Analysis is annexed to this Report as Annexure B.

**26. Corporate Governance:**

As per Regulation 15 under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions relating to Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V do not apply to the Company as the paid up equity share capital of the Company did not exceed Rs. 10 crores and the Net Worth of the Company as on 31/03/2017 did not exceed Rs.25 crores.

**27. Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace:**

Pursuant to the legislation "Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013" introduced by the Government of India, which came into effect from 9<sup>th</sup> December, 2013, the Company has framed a Policy on Prevention of Sexual Harassment at Workplace. There was no case reported during the year under review under the said policy.

**28. Auditors:**

**(a) Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, M/s K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) were appointed by the shareholders at the 80<sup>th</sup> Annual General Meeting to hold office for a second term of 5 consecutive years until the conclusion of the 85<sup>th</sup> Annual General Meeting, subject to ratification by shareholders at each Annual General Meeting.

The members are requested to ratify the appointment of M/s K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) as Statutory Auditors of the Company and to fix their remuneration for the financial year 2017-2018.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor.

**(b) Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company had appointed Shri Devendra Kumar Meena, Practicing Company Secretary, (FCS No. 6102 CP No. 5976), to undertake the Secretarial Audit of the Company for the Financial Year 2016-2017. The Secretarial Audit Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor.

The Secretarial Audit Report in Form MR-3 for the FY 2016-2017 is annexed to this Report as Annexure C.

For and on behalf of the Board of Directors

**The Hindustan Housing Company Ltd.**

**(Vinaya Mehrotra)**

Chairman

(DIN: 00038732)

Mumbai : 29<sup>th</sup> May, 2017

**Annexure - A****Form No. MGT-9  
EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March 2017**

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

**I. REGISTRATION AND OTHER DETAILS :**

Corporate Identification Number (CIN)	L45200MH1934PLC002346
Registration Date	27 <sup>th</sup> February, 1934
Name of the Company	The Hindustan Housing Company Ltd.
Category / Sub-Category of the Company	Public Ltd. Company/ Company Limited by Shares
Address of the Registered Office and Contact details	Bajaj Bhawan, 2 <sup>nd</sup> Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 E-mail Id : prdhruva@bajajgroup.net.in Tel. No : 022-22023626 Fax : 022-22025160 Website : <a href="http://www.hhclbajaj.com">www.hhclbajaj.com</a>
Whether listed Company	Yes (BSE Ltd.)
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited E/2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072. Tel No. : 022-40430200 Fax No. : 022-28475207 Website : <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**II. Principal Business Activities of The Company**

All the business activities contributing 10 % or more of the total turnover of the Company are as under:

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the company
1	General Administration Service	8211	51.44
2	Air conditioning Service	8211	15.86
3	Dining Room Service	8211	11.63

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –  
NOT APPLICABLE****IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

THE HINDUSTAN HOUSING COMPANY LIMITED

i) Category-wise Share Holding : -

Category of Shareholders	No. of Shares held at the beginning of the year as on 31 <sup>st</sup> March 2016				No. of Shares held at the end of the year as on 31 <sup>st</sup> March 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2224	0.00	2224	9.19	2224	0.00	2224	9.19	0.00
b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Govt (s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	8716	0.00	8716	36.02	8716	0.00	8716	36.02	0.00
e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any Other....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>10,940</b>	<b>0.00</b>	<b>10,940</b>	<b>45.21</b>	<b>10,940</b>	<b>0.00</b>	<b>10,940</b>	<b>45.21</b>	<b>0.00</b>
<b>(2) Foreign</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) NRIs-Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Other- Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any Other....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>10,940</b>	<b>0.00</b>	<b>10,940</b>	<b>45.21</b>	<b>10,940</b>	<b>0.00</b>	<b>10,940</b>	<b>45.21</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
I. Institutions									
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Central Govt.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt.(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i-i) Foreign Portfolio Investors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total(B)(I):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## i) Category-wise Share Holding : -

Category of Shareholders	No. of Shares held at the beginning of the year as on 31 <sup>st</sup> March 2016				No. of Shares held at the end of the year as on 31 <sup>st</sup> March 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0.00	7188	7188	29.70	0.00	7188	7188	29.70	0.00
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	420	5452	5872	24.26	1488	4384	5872	24.26	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Others (specify)									
(c-i) Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c-ii) Non-Resident Indians	0.00	200	200	0.83	0.00	200	200	0.83	0.00
(c-iii) Foreign Bodies-DR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c-iv) Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c-v) Clearing Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total(B)(2):-</b>	<b>420</b>	<b>12840</b>	<b>13260</b>	<b>54.79</b>	<b>1488</b>	<b>11772</b>	<b>13260</b>	<b>54.79</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>420</b>	<b>12840</b>	<b>13260</b>	<b>54.79</b>	<b>1488</b>	<b>11772</b>	<b>13260</b>	<b>54.79</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>11360</b>	<b>12840</b>	<b>24200</b>	<b>100.00</b>	<b>12248</b>	<b>11772</b>	<b>24200</b>	<b>100.00</b>	<b>0.00</b>



**THE HINDUSTAN HOUSING COMPANY LIMITED**

**ii) Shareholding of Promoters : -**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 31 <sup>st</sup> March 2016			Shareholding at the end of the year as on 31 <sup>st</sup> March 2017			% 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.	Shri Rahul Kumar Bajaj	880	3.64	0.00	880	3.64	0.00	0.00
2.	Shri Shekhar Bajaj	804	3.32	0.00	804	3.32	0.00	0.00
3.	Shri Niraj Bajaj	220	0.91	0.00	220	0.91	0.00	0.00
4.	Smt. Minal Bajaj	320	1.32	0.00	320	1.32	0.00	0.00
5.	Bachhraj and Company Pvt. Ltd.	6,152	25.42	0.00	6,152	25.42	0.00	0.00
6.	Jamnalal Sons Pvt. Ltd.	2,564	10.60	0.00	2,564	10.60	0.00	0.00
<b>Total</b>		<b>10,940</b>	<b>45.21</b>	<b>0.00</b>	<b>10,940</b>	<b>45.21</b>	<b>0.00</b>	<b>0.00</b>

**iii) Change in Promoters' Shareholding: -**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>No changes during the year</b>					

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year/Cumulative	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sikkim Janseva Pratisthan Pvt. Ltd.	6824	28.20	6824	28.20
2	Rajesh Kumar Jaipuria	0	0	604	2.50
3	Safia Yusuf Mirza	404	1.67	404	1.67
4	Vinod Nevatia	400	1.65	400	1.65
5	Manilal Mohanlal Jhaveri	400	1.65	400	1.65
6	Narendra Jeewanlal Shah	400	1.65	400	1.65
7	Ramo Rattan	240	0.99	240	0.99
8	Pushpa Rastogi	204	0.84	204	0.84
9	Parasram Securities Pvt. Ltd.	204	0.84	204	0.84
10	Lakshmi Ram Bhandari	200	0.83	200	0.83

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

Sr. No.	Name of Shareholder and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Vinaya Mehrotra - Independent Director				
	At the beginning and end of the year- (No Change)	80	0.33	80	0.33
2.	Shri Vinod Nevatia - Independent Director				
	At the beginning and end of the year- (No Change)	400	1.65	400	1.65
3.	Smt. Minal Bajaj - Director				
	At the beginning and end of the year- (No Change)	320	1.32	320	1.32
4.	Shri Sanjivnayan Bajaj - Director				
	At the beginning and end of the year- (No Change)	NIL	NIL	NIL	NIL

Shareholding of Chief Financial Officer and Company Secretary (KMP) in the Company is Nil.

THE HINDUSTAN HOUSING COMPANY LIMITED

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning and end of the financial year	<b>Not Applicable</b>			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of MD WTD/ Manager	Total Amount
The Company does not have any Managing Director / Whole-time Director/ Manager			

**B. Remuneration to other directors :**

Sr. No.	Particulars of Remuneration			Total Amount
1.	Independent Directors •	Vinaya Mehrotra	Vinod Nevatia	
	i. Fee for attending Board Meetings.	30,000	40,000	70,000
	ii. Fee for attending Audit Committee Meetings	30,000	40,000	70,000
	iii. Fee for attending Nomination & Remuneration Committee Meetings	5,000	5,000	10,000
	iv. Others, please specify	-	-	-
	<b>Total (1)</b>	<b>65,000</b>	<b>85,000</b>	<b>1,50,000</b>
2.	Non-Independent Non-Executive Directors	Sanjivnayan Bajaj	Minal Bajaj	
	i. Fee for attending Board Meetings.	20,000	40,000	60,000
	ii. Fee for attending Audit Committee Meetings	-	40,000	40,000
	iii. Fee for attending Nomination & Remuneration Committee Meetings	-	5,000	5,000
	iv. Others, please specify	-	-	-
	<b>Total (2)</b>	<b>20,000</b>	<b>85,000</b>	<b>1,05,000</b>
	<b>Total (B) = (1+2)</b>			<b>2,55,000</b>
	<b>Total Managerial Remuneration</b>			<b>NA</b>
	<b>Overall Ceiling as per the Act</b>			<b>NA</b>

- Notes:** 1) No bonus, pension, performance linked incentive or commission is paid to any of the Directors of the Company.
- 2) The Company has not issued any stock options or sweat equity to any of the Directors of the Company.
- 3) Except for Sitting Fees, the Company does not pay any remuneration to the Directors of the Company.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer (CEO)	Company Secretary (CS) ₹	Chief Financial Officer (CFO)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	13,80,800	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2,85,987	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	- -	- -	- -	- -
5.	Others, please specify Contribution to Provident Fund etc. Reimbursement of Motor Car Expenses	- - -	- 1,56,240 2,40,000	- - -	- - -
	<b>Total</b>	-	20,63,027	-	-

Note: The Company does not have a CEO and the CFO is on deputation from a Group Company.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT / COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

**Annexure - B**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Background**

The Hindustan Housing Company Limited (“the Company”) is a public listed Company incorporated in the Year 1934 and is a part of the Bajaj Group of Companies. The equity shares of the Company are listed on BSE Ltd. since the Year 1938 under Security Code No.: 509650.

The Company is a Service Company and it is presently not carrying on any manufacturing or trading activities. The principal business activities of the Company consists of rendering and providing various kinds of administrative and allied services and facilities to companies and entities of the Bajaj Group. Such services and facilities include Air-conditioning Systems, General Administrative and other allied Services.

The major sources of income of the Company are (a) Income received from rendering and providing various administrative and allied services and facilities as aforesaid and (b) Dividend Income.

**Financial Performance**

The Net Worth of the Company as on 31.03.2017 is Rs. 6.78 Crores. The Total Revenue and Net Profit (after tax) of the Company during the year under review was Rs. 4.83 Crores and Rs. 1.44 Crore respectively as compared to Rs.3.86 Crores and Rs. 0.56 Crore respectively in the previous year.

**Risks and Concerns**

The current and future financial performance of the Company is linked to and is directly related to the services rendered as detailed above and dividend payouts by the listed companies of the Bajaj Group in which it holds its investments. The Company does not have any borrowings from any banks or financial institutions and neither has it accepted nor does it hold any public deposits.

Since all the customers of the Company are companies and entities of the Bajaj group, the Company presently does not have any risk exposure in respect of the services so rendered.

However, at the same time, the Company is also totally dependent on all such companies / entities in the Bajaj Group for its business and any future change in their business plans to avail the aforesaid services and facilities from the Company might adversely affect the operations of the Company. However, considering the nature of services and facilities rendered and provided by the Company to the Bajaj Group Companies, the Company does not anticipate any adverse impact on its operations in the near future.

### **Internal Control Systems and their Adequacy**

The Audit Committee of the Board of Directors of the Company periodically evaluates the adequacy of the internal controls and processes, and ensures strict adherence to its laid down processes and procedures as well as to the prescribed regulatory and legal framework to manage and minimize the risk. The Committee further reviews the internal audit reports and effectiveness of the internal financial controls.

### **Human Resources**

The Company recognises its employees as a critical asset of the organisation and lays due emphasis on all round development of its employees.

### **Cautionary Statement**

Statements made herein describing the Company's objectives and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in government regulations, tax laws, economic developments and other incidental factors.

**Annexure - C**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

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

To,

The Members,  
The Hindustan Housing Company Ltd.,  
2nd Floor, Bajaj Bhawan,  
Jamnalal Bajaj Marg,  
226, Nariman Point, Mumbai- 400021

I have conducted the secretarial audit of the company in compliance with the applicable statutory provisions and the adherence to good corporate practices by The Hindustan Housing Company Ltd., (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of The Hindustan Housing Company Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2017, 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 herein after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2017 according to the provisions of the :

- (i) Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable to the Company;
- (v) The following Regulations and Guidelines prescribed by SEBI under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The Bombay Shops and Establishments Act, 1948;
- (vii) The Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Rules made thereunder ;
- (viii) The Enemy Property Act, 1968 and the ordinances issued by the Government of India.

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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.

Majority decision is carried through while the assenting members' views, if any, are captured and recorded as part of the minutes.

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

Mumbai: 21<sup>st</sup> April, 2017

(Devendra Kumar Meena)  
FCS No. 6102  
CP No. 5976



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of The Hindustan Housing Company Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **The Hindustan Housing Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

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

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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act (hereinafter referred to as "the Order"), 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 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 purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations, if any, as at March 31, 2017 on its financial position in its financial statements.
    - ii. The Company has made provision as at March 31, 2017 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company has not entered into any Derivative Contracts during the financial year.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
    - iv. On the basis of information available with the Company, the Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016,. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. – Refer Note 31.

**GIRISH M. PATHAK**

Partner

Membership No.: 102016

For and on behalf of

**K.K. MANKESHWAR & CO**

Chartered Accountants

FRN 106009W

Mumbai, 29<sup>th</sup> May, 2017

**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

(The Annexure referred to in our report to the members of The Hindustan Housing Company Limited ('the Company') for the year ended March 31, 2017.)

- (i) In respect of its Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) As per the explanation given to us, the fixed assets were physically verified by the Management in accordance with a regular programme covering all the assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- (ii) The Company is a Service Company, primarily rendering various administrative and allied services. Accordingly, it does not hold any Inventory. Consequently, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) In our opinion, and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act during the year. Consequently, clauses (iii) (a) to (iii) c of paragraph 3 of the Order, are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered under Section 185 and 186 of the Act. The Company has complied with the provisions of Section 186 of the Act, with respect of investments made in body corporate.
- (v) The Company has not accepted deposits from the public, of the nature covered under the provisions of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) In respect of Statutory Dues:
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no dues towards Custom Duty, Wealth Tax, Sales Tax and Excise Duty during the year.

According to information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Service Tax, and other material statutory dues in arrears as on 31<sup>st</sup> March, 2017 for a period of more than six months from the date they become payable.

- (b) According to information and explanations given to us upon our enquiries in this regard and records of the Company, there are no disputed statutory dues in respect of Income Tax, Service Tax, Provident Fund and other material statutory dues unpaid as at the last day of the financial year.
- (viii) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank during the year. There are no dues to any debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) The Company has not paid/provided for managerial remuneration during the year. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Mumbai, 29<sup>th</sup> May, 2017

**GIRISH M. PATHAK**  
Partner  
Membership No.: 102016  
For and on behalf of  
**K.K. MANKESHWAR & CO**  
Chartered Accountants  
FRN 106009W

## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

### **(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 The Hindustan Housing Company Limited ("the Company") as on March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Mumbai, 29<sup>th</sup> May, 2017

**GIRISH M. PATHAK**

Partner

Membership No.: 102016

For and on behalf of

**K.K. MANKESHWAR & CO**

Chartered Accountants

FRN 106009W

THE HINDUSTAN HOUSING COMPANY LIMITED

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	As at	As at
		31-Mar-2017	31-Mar-2016
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>I. Shareholder's Funds</b>			
a) Share Capital	2	6,08,645	6,08,645
b) Reserves & Surplus	3	6,71,81,645	5,28,26,754
<b>2. Non-Current Liabilities</b>			
a) Deferred Tax Liabilities/ (Assets) (Net)	4	(10,07,549)	(5,28,776)
b) Other Long Term Liabilities	5	42,21,000	56,31,000
c) Long Term Provisions	6	62,91,912	83,52,914
<b>3. Current Liabilities</b>			
a) Other Current Liabilities	7	35,28,252	47,68,032
b) Short Term Provisions	8	25,10,953	19,39,383
<b>TOTAL</b>		<b>8,33,34,858</b>	<b>7,35,97,952</b>
<b>II. ASSETS</b>			
<b>I. Non-Current Assets</b>			
a) Fixed Assets	9		
i) Tangible Assets		88,20,151	1,16,18,102
ii) Intangible Assets		-	-
b) Non-Current Investments	10	2,95,35,592	2,95,35,592
c) Long-Term Loans and Advances	11	79,05,141	1,01,54,554
d) Other Non-Current Assets	12	-	2,10,820
<b>2. Current Assets</b>			
a) Current Investments	13	3,23,71,934	1,82,01,314
b) Trade Receivables	14	34,15,470	19,35,207
c) Cash and Cash Equivalents	15	5,84,091	16,32,743
d) Short Term Loans and Advances	16	7,02,479	3,09,620
<b>TOTAL</b>		<b>8,33,34,858</b>	<b>7,35,97,952</b>
Significant Accounting Policies Adopted by the Company	I		

Notes I to 32 form an integral part of the Financial Statements

As per our report of even date

**GIRISH M. PATHAK**

Partner

Membership No.102016

For & on Behalf of

**K K MANKESHWAR & CO.**

Chartered Accountants

Firm Registration No.106009W

**For The Hindustan Housing Company Ltd.**

**Vinaya Mehrotra**

Chairman

**Minal Bajaj**

Director

**Vinod Nevatia**

Director

**Pradeep Dhruva**

Company Secretary

**Vijay Bohra**

Chief Financial Officer

Mumbai : 29<sup>th</sup> May, 2017

Mumbai : 29<sup>th</sup> May, 2017

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017.**

Particulars	Note No.	2016-2017	2015-2016
		₹	₹
<b>I. Revenue from Operations</b>	<b>17</b>	<b>3,83,91,533</b>	3,49,86,042
<b>II. Other Income</b>	<b>18</b>	<b>98,68,401</b>	36,70,410
<b>III. Total Revenue ( I + II )</b>		<b>4,82,59,934</b>	3,86,56,452
<b>IV. EXPENSES</b>			
Employee Benefits Expense	<b>19</b>	<b>1,52,02,209</b>	1,17,86,090
Depreciation and Amortisation Expense	<b>9</b>	<b>27,69,988</b>	49,59,918
Other Expenses	<b>20</b>	<b>1,28,24,921</b>	1,39,47,759
<b>Total Expenses</b>		<b>3,07,97,118</b>	3,06,93,767
<b>V Profit before Tax ( III - IV )</b>		<b>1,74,62,816</b>	79,62,685
<b>VI Tax Expenses</b>			
(1) Current Tax		<b>(33,30,000)</b>	(23,50,000)
(2) Deferred Tax Credit / (charge)		<b>4,78,773</b>	42,886
(3) Tax in respect of earlier years (Net)		<b>(2,56,698)</b>	(35,768)
<b>VII Profit/(Loss) for the year ( V - VI )</b>		<b>1,43,54,891</b>	56,19,803
<b>VIII Earnings per Share</b>	<b>21</b>		
(1) Basic		<b>593</b>	232
(2) Diluted		<b>593</b>	232
Significant Accounting Policies Adopted by the Company	<b>I</b>		

Notes I to 32 form an integral part of the Financial Statements

As per our report of even date  
**GIRISH M. PATHAK**  
Partner  
Membership No.102016  
For & on Behalf of  
**K K MANKESHWAR & CO.**  
Chartered Accountants  
Firm Registration No.106009W

Mumbai : 29<sup>th</sup> May, 2017

**For The Hindustan Housing Company Ltd.**

**Vinaya Mehrotra**  
Chairman

**Minal Bajaj**  
Director

**Vinod Nevatia**  
Director

**Pradeep Dhruva**  
Company Secretary

**Vijay Bohra**  
Chief Financial Officer

Mumbai : 29<sup>th</sup> May, 2017



THE HINDUSTAN HOUSING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b>A. Cash flow arising from Operating Activities</b>				
<b>Net Profit before Tax</b>		1,74,62,816		79,62,685
Add back :				
a) Depreciation Charge	27,69,988		49,59,918	
b) Loss on Assets Sold / Discarded	27,963		-	
c) Securities Transaction Tax	106		-	
		27,98,057		49,59,918
		2,02,60,873		1,29,22,603
<b>Deduct :</b>				
a) Dividend Income	2,47,474		36,31,977	
b) Interest Income	59,600		38,433	
c) Sundry Balance Written Back	68,757		-	
d) Profit on Sale of Mutual Fund Investment	8,39,591		-	
e) Profit on Switch over from Regular Plan to Direct Plan of "Mutual Fund Investment"	86,52,979		-	
		(98,68,401)		(36,70,410)
<b>Operating Cash Profit before Working capital changes</b>		1,03,92,472		92,52,193
<b>Add / (Deduct) :</b>				
a) Increase / (Decrease) in Trade Payables and Provisions	(41,27,311)		10,94,797	
b) (Increase) / Decrease in Trade and Other Receivables	473,327		75,84,070	
		(36,53,984)		86,78,867
<b>Cash Outflow From Operations</b>		67,38,488		1,79,31,060
<b>Deduct : Direct Taxes paid</b>		34,16,058		27,00,506
<b>Net Cash outflow from Operating Activities</b>		33,22,430		1,52,30,554
<b>B. Cash Flow arising from Investing Activities :</b>				
<b>Outflow :</b>				
a) Acquisition of Fixed Assets & Capital WIP	-		2,28,235	
b) Acquisition of Current Investments	1,75,63,988		5,53,72,467	
		(1,75,63,988)		(5,56,00,702)
<b>Inflow :</b>				
a) Interest received	59,600		38,433	
b) Dividend received	2,47,474		24,06,775	
c) Sale of Current Investment	1,28,85,832		3,77,00,000	
		1,31,92,906		4,01,45,208
<b>Net Cash Outflow from Investing Activities</b>		(43,71,082)		(1,54,55,494)
<b>C. Cash Flow arising from Financing Activities :</b>				
<b>Outflow :</b>				
Unpaid Dividend deposited in "Investor Education and Protection Fund"		-		(13,100)
<b>Net Cash Outflow from Financing Activities</b>		-		(13,100)
<b>Net Increase/(Decrease) in Cash / Cash Equivalents (A+B+C)</b>		(10,48,652)		(2,38,040)
<b>Add - Balance at the beginning of the year</b>		16,32,743		18,70,783
<b>Cash / Cash Equivalents at the close of the year</b>		584,091		16,32,743

Significant Accounting Policies adopted by the Company  
Notes 1 to 32 form an integral part of the Financial Statements

As per our report of even date  
**GIRISH M. PATHAK**  
Partner  
Membership No.102016  
For & on Behalf of  
**K K MANKESHWAR & CO.**  
Chartered Accountants  
Firm Registration No.106009W

Note No. 1

**For The Hindustan Housing Company Ltd.**

**Vinaya Mehrotra**  
Chairman

**Minal Bajaj**  
Director

**Vinod Nevatia**  
Director

**Pradeep Dhruva**  
Company Secretary

**Vijay Bohra**  
Chief Financial Officer

Mumbai : 29<sup>th</sup> May, 2017

32

Mumbai : 29<sup>th</sup> May, 2017

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017****I. Significant Accounting Policies:****I.1 Basis of preparation of financial statements:**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis, in accordance with the applicable mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of Companies (Accounts) Rules, 2014, the provisions of the Act, to the extent notified.

The Company is in the business of rendering various administrative and allied services. The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

**I.2 Use of Estimates:**

The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Differences between actual results and estimates are recognised in the period in which the results are known. Changes in the estimates, if material, are reflected in the financial statements in the period in which changes are made and their effects are disclosed in the notes to the financial statements.

**I.3 Recognition of Revenue and Expenditure:**

- a) Income from rendering of services and related expenses are recognised on accrual basis in the year in which the services are rendered.
- b) Dividend income is recognised in the year in which the right to receive dividend is established.

**I.4. Employee Benefits:**

- a) **Short term employee benefits** are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered;

- b) **Post employment benefits:**

Defined Benefit Plans:Gratuity

The present value of the obligation is determined based on an actuarial valuation at the close of the year using the Projected Unit Credit Method.

Actuarial gains and losses arising on such valuation are recognized immediately in the Statement of Profit and Loss. Gratuity liability for employees covered under the payment of Gratuity Act 1972, is contributed to the Life Insurance Corporation of India, through "Bachhraj Employees Group Gratuity Scheme." Fair value of the Plan Assets, is reduced from the gross obligation under the Defined Benefit Plans, to recognize the obligation on a net basis;

Defined Contribution PlansProvident Fund

Monthly contributions are made to "Bachhraj & Co. Ltd. Provident Fund Institution", (Trust) constituted for the benefit of the employees. The interest rate payable by the Trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

- c) **Long term compensated absences** are provided on the basis of an actuarial valuation, using the Projected Unit Credit Method.

**I.5 Fixed Assets and Depreciation:**

**a) Fixed Assets:**

Fixed Assets are carried at cost of acquisition / book value less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

**b) Depreciation/Amortisation:**

- i) Depreciation is provided on Straight Line Method, in accordance with Schedule II to the Act. The useful lives of the assets for computing depreciation are as per Schedule II to the Act.
- ii) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the day of such addition or upto the day of such sale/disposal as the case may be.
- iii) Cost of computer software is amortised over a period of three years.

**I.6 Investments:**

Investments are classified into Non Current and Current Investments. Non Current Investments are stated at cost of acquisition. Diminution, if any, in the value of Non Current Investments, other than temporary, is provided for each investment individually. Current Investments are stated at lower of cost and market value/ net realisable value.

**I.7 Borrowing Costs:**

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

**I.8 Taxation:**

Income-tax expense comprises Current tax and Deferred tax charge or credit.

- a) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the Statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.
- b) Deferred Tax is recognized on timing difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent period(s). The Deferred Tax Asset and Deferred Tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets arising on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is a virtual certainty of its realisation supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred Tax Assets is reviewed to reassure realisation.

**I.9 Impairment of Assets:**

The Company, at each balance sheet date, assesses whether there is any indication that an individual asset or group of assets constituting a Cash Generating Unit (CGU) may be impaired. Provision for impairment loss is recognised where the recoverable amount of an asset or a CGU, is less than its carrying amount. Provisions for impairment losses recognised in earlier years, if any, are further reviewed at each balance sheet date and adjusted for changes in the estimated recoverable amount of asset / CGU.

**I.10 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, and it is probable that there will be an outflow of resources and reliable estimate of the amount of the obligation can be made. Contingent Liabilities are not recognized and are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017****I.11 Cash Flow Statement:**

Cash flows are reported using the Indirect Method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

**I.12 Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**I.13 Earnings Per Share:**

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

**THE HINDUSTAN HOUSING COMPANY LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

**2 Share Capital**

Particulars	As at 31-03-2017		As at 31-03-2016	
	Number of Shares	₹	Number of Shares	₹
<b>a) Authorised</b> Equity Shares of ₹ 25/- each	40,000	10,00,000	40,000	10,00,000
<b>b) Issued</b> Equity Shares of ₹ 25/- each	24,531	6,13,275	24,531	6,13,275
<b>c) Subscribed and Paid up</b>				
i) Equity Shares of ₹ 25/- each fully paid up	24,200	6,05,000	24,200	6,05,000
ii) Forfeited Shares (Amounts originally paid up)	331	3,645	331	3,645
<b>Total</b>	<b>24,531</b>	<b>6,08,645</b>	<b>24,531</b>	<b>6,08,645</b>

2.1 Reconciliation of Number of Shares and Amount Outstanding :

Particulars	As at 31-03-2017		As at 31-03-2016	
	Number of Shares	₹	Number of Shares	₹
Equity Shares at the beginning of the year	24,531	6,08,645	24,531	6,08,645
Add: Shares issued during the year	—	—	—	—
Less: Shares bought back during the year	—	—	—	—
Equity Shares at the end of the year	<b>24,531</b>	<b>6,08,645</b>	<b>24,531</b>	<b>6,08,645</b>

2.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at 31-03-2017		As at 31-03-2016	
	Number of Shares	% of total Holding	Number of Shares	% of total Holding
i) Sikkim Janseva Pratisthan Pvt. Ltd.	6,824	28.20%	6,824	28.20%
ii) Bachhraj & Company Pvt. Ltd.	6,152	25.42%	6,152	25.42%
iii) Jamnalal Sons Pvt. Ltd.	2,564	10.60%	2,564	10.60%
<b>Total</b>	<b>15,540</b>	<b>64.22%</b>	<b>15,540</b>	<b>64.22%</b>

2.3 The Company has only one class of shares referred to as equity shares having a par value of ₹ 25/- Each holder of equity shares is entitled to one vote per share.

2.4 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 the preferential amount, in the proportion of the number of equity shares held by each share holders.

**3 Reserves & Surplus**

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
<b>a) General Reserve</b>				
Opening Balance	5,11,50,000		3,11,50,000	
Add : Transfer from Surplus during the Current year	70,00,000		2,00,00,000	
Closing Balance		5,81,50,000		5,11,50,000
<b>b) Surplus in the Statement of Profit and Loss :</b>				
Opening balance	16,76,754		1,60,56,951	
Add: Net Profit for the year	1,43,54,891		56,19,803	
Less: Transfer to General Reserve	70,00,000		2,00,00,000	
Closing Balance		90,31,645		16,76,754
<b>Total</b>		<b>6,71,81,645</b>		<b>5,28,26,754</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## 4 Deferred Tax Liability / (Assets)

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
Deferred Tax Liability/(Assets) on account of Depreciation (Add)/Less: Deferred Tax Asset on account of Employee Benefits	(7,18,805) (2,88,744)		(3,71,389) (1,57,387)	
		(10,07,549)		(5,28,776)
<b>Total</b>		<b>(10,07,549)</b>		<b>(5,28,776)</b>

## 5 Other Long Term Liabilities

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
Security Deposits	-	42,21,000	-	56,31,000
<b>Total</b>		<b>42,21,000</b>		<b>56,31,000</b>

## 6 Long Term Provisions

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
Provision for employee benefits (Net) (Refer Note No. 24)	62,91,912		83,41,013	
Provision for Taxation (Net of Advance Tax)	-		11,901	
		62,91,912		83,52,914
<b>Total</b>		<b>62,91,912</b>		<b>83,52,914</b>

## 7 Other Current Liabilities

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
Other Liabilities # {Refer Note No.27 (a)}	21,18,252		33,58,032	
Security Deposits	14,10,000		14,10,000	
		35,28,252		47,68,032
<b>Total</b>		<b>35,28,252</b>		<b>47,68,032</b>

# Includes statutory dues, liability for expenses and payable to employees.

## 8 Short Term Provisions

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
Provision for employee benefits (Net) (Refer Note No. 24)	-	25,10,953	-	19,39,383
<b>Total</b>		<b>25,10,953</b>		<b>19,39,383</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

9 Fixed Assets

(Amount in ₹)

ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at 01-04-2016	Addition	Disposal	As at 31-03-2017	As at 01-04-2016	For the Year	(Disposal) / Adjustment	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
<b>a) Tangible Assets</b>										
Building*	71,07,861	-	-	<b>71,07,861</b>	13,63,869	1,12,533	-	<b>14,76,402</b>	<b>56,31,459</b>	57,43,992
Elevators	10,63,686	-	-	<b>10,63,686</b>	10,10,502	-	-	<b>10,10,502</b>	<b>53,184</b>	53,184
Air Conditioner Plant	5,11,621	-	24,062	<b>4,87,559</b>	4,70,745	15,295	22,859	<b>4,63,181</b>	<b>24,378</b>	40,876
Electrical Equipments	8,99,964	-	32,557	<b>8,67,407</b>	8,56,539	-	30,929	<b>8,25,610</b>	<b>41,797</b>	43,425
Furniture, Fixtures and Equipments	85,36,598	-	2,80,717	<b>82,55,881</b>	52,15,984	8,66,868	2,71,960	<b>58,10,892</b>	<b>24,44,989</b>	33,20,614
Office Equipments	12,98,656	-	1,09,678	<b>11,88,978</b>	12,12,316	21,786	1,04,572	<b>11,29,530</b>	<b>59,448</b>	86,340
Security Equipment	1,00,56,431	-	-	<b>1,00,56,431</b>	79,21,840	16,31,769	-	<b>95,53,609</b>	<b>5,02,822</b>	21,34,591
Computers	9,67,180	-	2,28,858	<b>7,38,322</b>	7,72,100	1,21,737	2,17,589	<b>6,76,248</b>	<b>62,074</b>	195,080
Total Tangible Assets (A)	3,04,41,997	-	6,75,872	<b>2,97,66,125</b>	1,88,23,895	27,69,988	6,47,909	<b>2,09,45,974</b>	<b>88,20,151</b>	1,16,18,102
<b>b) Intangible Assets</b>										
Computer Software	66,180	-	-	<b>66,180</b>	66,180	-	-	<b>66,180</b>	-	-
Total Intangible Assets (B)	66,180	-	-	<b>66,180</b>	66,180	-	-	<b>66,180</b>	-	-
Total (A) + (B)	<b>3,05,08,177</b>	-	<b>6,75,872</b>	<b>2,98,32,305</b>	<b>1,88,90,075</b>	<b>27,69,988</b>	<b>6,47,909</b>	<b>2,10,12,154</b>	<b>88,20,151</b>	<b>1,16,18,102</b>
Previous Year's Total	3,02,79,942	2,28,235	-	3,05,08,177	1,39,30,157	49,59,918	-	1,88,90,075	<b>1,16,18,102</b>	-

\* Includes ₹ 500/- ( P.Y. ₹ 500/-) being the cost of 10 shares in a Co-operative Society for Office Premises on ownership basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## 10 Non Current Investments

Particulars	As at 31-03-2017		As at 31-03-2016	
	Nos	₹	Nos	₹
<b>a) Investments in Equity Shares (Quoted)- At Cost</b> <u>Other Investments</u>				
1. Bajaj Holdings & Investment Limited (BHIL) 15,391 (15,391) (Equity Shares of ₹10/- each fully paid-up)	15,391	1,37,00,038	15,391	1,37,00,038
2. Bajaj Finserv Limited 8,000 (8,000) (Equity Shares of ₹ 5/- each fully paid-up)	8,000	5,29,229	8,000	5,29,229
3. Bajaj Auto Limited 20,800 (20,800) (Equity Shares of ₹10/- each fully paid-up)	20,800	1,53,06,325	20,800	1,53,06,325
<b>Total</b>	<b>44,191</b>	<b>2,95,35,592</b>	<b>44,191</b>	<b>2,95,35,592</b>

10.1 Particulars	Book Value (₹)		Market Value (₹)	
	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
Aggregate Quoted Investments	2,95,35,592	2,95,35,592	12,45,21,496	8,61,63,131
<b>Total</b>	<b>2,95,35,592</b>	<b>2,95,35,592</b>	<b>12,45,21,496</b>	<b>8,61,63,131</b>

## 11 Long Term Loans and Advances

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
<u>Unsecured, Considered good</u>				
a) Sundry Deposits	5,17,777		5,10,177	
b) Advances Recoverable in Cash or in Kind or for Value to be received	70,20,822		91,87,659	
c) Advance Tax (Net of Provision for Tax)	3,66,542	79,05,141	4,56,718	1,01,54,554
<b>Total</b>		<b>79,05,141</b>		<b>1,01,54,554</b>

## 12 Other Non-Current Assets

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
a) Income Tax Refund Receivable	-	-	-	2,10,820
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,10,820</b>



THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

13 Current Investments

Particulars	As at 31-03-2017		As at 31-03-2016	
	No. of Units	₹	No. of Units	₹
<b>a) Investments in Mutual Funds (Unquoted)</b> (At lower of Cost or Fair value)				
1. HDFC CMF-Saving Plan-Direct Plan- Daily "Dividend Reinvest" (NAV ₹ NIL ; P.Y. ₹18,21,852/-)	-	-	1,713	18,21,844
2. HDFC Floating Rate Income Fund- Short Term Plan-Growth (NAV ₹2,29,14,803/- ; P.Y.₹1,48,15,707)	8,08,012	2,17,39,591	5,67,647	1,44,00,000
3. Reliance Diversified Power Sector Fund -"Growth Plan" (NAV Nil P.Y. ₹30,09,295/-)	-	-	44,370	5,00,000
4. Principal Large Cap Fund - Growth Plan (NAV Nil P.Y. ₹62,65,141/-)	-	-	1,44,691	14,79,470
5. Reliance Diversified Power Sector Fund -Direct" Growth Plan- Growth Option " (NAV ₹43,67,671/- ; P.Y. Nil)	43,516	31,67,784	-	-
6. Principal Large Cap Fund - Direct Plan Growth (NAV ₹77,26,101/- ; P.Y.Nil)	1,41,374	74,64,559	-	-
<b>Total</b>		<b>3,23,71,934</b>		<b>1,82,01,314</b>

Particulars	Book Value (₹)		Market Value (₹)	
	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
Aggregate Unquoted Investments	3,23,71,934	1,82,01,314	3,50,08,575	2,59,11,995
<b>Total</b>	<b>3,23,71,934</b>	<b>1,82,01,314</b>	<b>3,50,08,575</b>	<b>2,59,11,995</b>

14 Trade Receivable

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment"		-		-
b) Other Trade Receivables Unsecured, considered good		34,15,470		19,35,207
<b>Total</b>		<b>34,15,470</b>		<b>19,35,207</b>

15 Cash and Cash Equivalents

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
a) Balances with Bank Current Account Cheques in Hand	5,84,014 -		9,60,796 6,69,946	
b) Cash in Hand	77	5,84,091	2,001	16,32,743
<b>Total</b>		<b>5,84,091</b>		<b>16,32,743</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## 16 Short Term Loans and Advances

Particulars	As at 31-03-2017		As at 31-03-2016	
	₹	₹	₹	₹
Unsecured, considered good				
a) Loans and Advances to Employees	1,15,000		2,40,000	
b) Advances Recoverable in Cash or in Kind or for value to be received	4,69,024		69,620	
c) Advance Tax (Net of Provision for Tax)	1,18,455		-	
		7,02,479		3,09,620
<b>Total</b>		<b>7,02,479</b>		<b>3,09,620</b>

## 17 Revenue from Operations

Particulars	2016-17	2015-16
	₹	₹
Sale of Services		
Air-conditioning Service Charges	62,81,208	81,74,586
General Administration Service Charges	2,03,72,229	1,54,87,240
Dining Room Service Charges	46,07,751	45,95,621
Other Allied Services	71,30,345	67,28,595
<b>Total</b>	<b>3,83,91,533</b>	<b>3,49,86,042</b>

## 18 Other Income

Particulars	2016-17	2015-16
	₹	₹
Interest Income	59,600	38,433
Dividend	2,47,474	36,31,977
Profit on Sale of Mutual Funds Units	8,39,591	-
Profit on Switch over from Regular Plan to Direct Plan of Mutual Fund Investment	86,52,979	-
Sundry Balances Written Back	68,757	-
<b>Total</b>	<b>98,68,401</b>	<b>36,70,410</b>

## 19 Employee Benefits Expense

Particulars	2016-17	2015-16
	₹	₹
Salaries, Allowances, Bonus, etc.	1,19,66,431	86,09,076
Contribution to Provident and Other Funds (Defined Benefit Plan)	15,08,418	16,74,796
Contribution to National Pension System	2,09,300	2,35,727
Staff Welfare Expenses	15,18,060	12,66,491
<b>Total</b>	<b>1,52,02,209</b>	<b>1,17,86,090</b>

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

20 Other Expenses

Particulars	2016-17	2015-16
	₹	₹
Power & Fuel	43,74,600	66,22,167
Rates and Taxes	10,19,794	9,61,428
Auditor's Remuneration (Refer Note 20.1)	1,26,000	1,26,000
Director's Sitting Fees	2,55,000	2,90,000
Maintenance and Service Contract Charges	7,84,669	8,65,354
Compensation paid for use of Premises	3,00,000	3,00,000
Legal and Professional Charges	3,86,315	1,84,178
Housekeeping Charges	16,10,192	14,82,010
General Administration Service Expenses	14,53,538	14,25,687
Miscellaneous Expenditure	25,14,813	16,90,935
<b>Total</b>	<b>1,28,24,921</b>	<b>1,39,47,759</b>

20.1 Auditors' Remuneration

Particulars	2016-17	2015-16
	₹	₹
Fees as Auditors	<b>70,000</b>	70,000
Fees as Tax Auditors	<b>35,000</b>	35,000
Fees for other work	<b>21,000</b>	21,000
<b>Total</b>	<b>1,26,000</b>	1,26,000

21 Earnings per share

Particulars	2016-17	2015-16
	₹	₹
Net profit after tax as per Statement of Profit and Loss attributable to Equity shareholders (₹)	<b>1,43,54,891</b>	56,19,803
Weighted Average number of equity shares used as denominator for calculating EPS	<b>24,200</b>	24,200
Basic and Diluted Earnings per share (₹)	<b>593</b>	232
Face value per equity share (₹)	<b>25</b>	25

22 Particulars of the Firm M/s. Agarwal Brothers in which the Company is a Partner (as certified by a Partner of the Firm/ Director of the Company):

Sr. No.	Partners	Share of Profit (%)	Capital as at 31/03/2017 ₹	Capital as at 31/03/2016 ₹
1	Shri Gauriduttji Mittal (HUF)	10	-	-
2	Shri Govindramji Mittal (HUF)	5	-	-
3	Shri Brahmadduttji Mittal (HUF)	10	-	-
4	Shri Shankarlalji Mittal (HUF)	3	-	-
5	Shri Vishwanathiji Mittal (HUF)	9	-	-
6	Smt. Kantadevi Mittal	10	-	-
7	Smt. Pushpa Mittal	3	-	-
8	The Hindustan Housing Co. Limited	50	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

23. The Regional Provident Fund Office, Mumbai ( RPFO) vide its Order dated 24.09.2013 had directed the Company to pay Provident Fund dues amounting to ₹ 23.55 Lacs in respect of certain contract workers, retrospectively w.e.f. 01.04.1999 onwards. The RPFO has fully recovered the said amount from the Company. The Company had preferred an Appeal against the Order before the EPF Appellate Tribunal, New Delhi (EPFAT). The Employee Provident Fund Appellate Tribunal (EPFAT) has passed Order dated 10.03.2016, setting aside the Order passed by the RPFO (Mumbai) and remitted the case back to RPFO (Mumbai) to dispose it off afresh in accordance with law. Pending reassessment by the RPFO, the amount so recovered has been disclosed under "Long Term Loan & Advances". The interest and penalty, if any, payable thereon presently is not ascertainable.
24. (a) The disclosures in respect of Defined Benefit Gratuity Plan (to the extent of information made available by LIC) are given below:

	<b>Particulars</b>	<b>2016-2017 (₹)</b>	<b>2015-2016 (₹)</b>
<b>(i)</b>	<b>Changes in Present Value of Obligations:</b>		
	Present Value of Obligations at beginning of the year	82,83,091	62,13,593
	Interest cost	5,46,241	4,84,660
	Current service cost	1,65,387	3,19,543
	Benefits paid	(29,10,156)	-
	Actuarial (Gain) /Loss	3,58,132	12,65,295
	<b>Present Value of Obligations at end of the year</b>	<b>64,42,695</b>	<b>82,83,091</b>
<b>(ii)</b>	<b>Changes in Fair Value of Plan Assets :</b>		
	Fair Value of Plan Assets at beginning of the year	68,33,040	50,03,839
	Adjustment to Opening Fair Value of Plan Assets	-	(39,966)
	Expected Return on Plan Assets	5,06,000	5,14,800
	Contributions	3,03,666	13,25,000
	Benefits Paid	(29,10,156)	-
	Actuarial Gain /(Loss) on Plan Assets	(66,347)	29,367
	<b>Fair Value of Plan Assets at end of the year</b>	<b>46,66,203</b>	<b>68,33,040</b>
<b>(iii)</b>	<b>Amount to be recognized in the Balance Sheet:</b>		
	Present Value of Obligations at end of the year	64,42,695	82,83,091
	Fair Value of Plan Assets at end of the year	46,66,203	68,33,040
	<b>Net Asset/(Liability) recognized in the Balance Sheet</b>	<b>(17,76,492)</b>	<b>(14,50,051)</b>
<b>(iv)</b>	<b>Expenses to be recognized in the statement of Profit and Loss:</b>		
	Current Service Cost	1,65,387	3,19,543
	Interest Cost	5,46,241	4,84,660
	Expected Return on Plan Assets	(5,06,000)	(5,14,800)
	Net Actuarial (Gain) / Loss	4,24,479	12,35,928
	<b>Expenses recognized in the statement of Profit and Loss</b>	<b>6,30,107</b>	<b>15,25,331</b>
<b>(v)</b>	<b>Assumptions:</b>		
	Mortality	IALM (2006-08) ULT	IALM (2006-08) ULT
	Discount Rate	6.84%	8%
	Rate of increase in compensation *	12%	12%
	Expected rate of Return on Assets	8%	9.15%
	Withdrawal rates	0.80%	0.80%

\* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

24. (b) The disclosures in respect of Leave Encashment Plan (Unfunded) - to the extent of information made available by LIC are given below:

	<b>Particulars</b>	<b>2016-2017 (₹)</b>	<b>2015-2016 (₹)</b>
<b>(i)</b>	<b>Changes in Present Value of Obligations</b>		
	<b>Present Value of Obligations at beginning of the year</b>	19,97,305	14,87,963
	Interest cost	1,59,784	1,16,061
	Current service cost	4,54,640	4,39,160
	Benefits paid	-	-
	Actuarial (Gain)/ Loss	(2,51,559)	(45,879)
	<b>Present Value of Obligations at end of the year</b>	<b>23,60,170</b>	<b>19,97,305</b>
<b>(ii)</b>	<b>Changes in Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the year	-	-
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Expected Return on Plan Assets	-	-
	Contributions	-	-
	Benefits Paid	-	-
	Actuarial Gain /(Loss) on Plan Assets	-	-
	<b>Fair Value of Plan Assets at end of the year</b>	<b>-</b>	<b>-</b>
<b>(iii)</b>	<b>Amount to be recognized in the Balance Sheet</b>		
	Present Value of Obligations at end of the year	23,60,170	19,97,305
	Fair Value of Plan Assets at end of the year	-	-
	<b>Net Asset / (Liability) recognized in the Balance Sheet</b>	<b>(23,60,170)</b>	<b>(19,97,305)</b>
<b>(iv)</b>	<b>Expenses to be recognized in the statement of Profit and Loss</b>		
	Current Service Cost	4,54,640	4,39,160
	Interest Cost	1,59,784	1,16,061
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain) / Loss	(2,51,559)	(45,879)
	<b>Expenses recognized in the statement of Profit and Loss</b>	<b>3,62,865</b>	<b>5,09,342</b>
<b>(v)</b>	<b>Assumptions:</b>		
	Mortality	<b>IALM (2006-08) Ult.</b>	<b>IALM (2006-08) Ult.</b>
	Discount Rate	<b>6.84%</b>	<b>8%</b>
	Rate of increase in compensation *	<b>12%</b>	<b>12%</b>
	Expected rate of Return on Assets		
	Withdrawal rates	<b>0.80%</b>	<b>0.80%</b>

\* The estimate of future salary increases considered in actuarial calculation takes into account inflation, seniority, promotion and other relevant factors.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017****25. Segment Reporting:**

The Company is, at present, primarily engaged in a single business segment of providing and rendering administrative and allied services and operates only in a single geographical segment.

**26. Related Party Disclosures:**

Details of Transactions with Related Parties during the year as required by Accounting Standard-18 (AS 18) on 'Related Party Transactions' have been disclosed on the basis of parties identified by the Company to be within the definition of Related Parties as per Section 2(76) of the Companies Act, 2013 and noted by the Board of Directors.

Accordingly the information is disclosed as hereunder:

I) Relationships:

(a) Key Managerial Personnel

Name	Position held
Shri Pradeep Dhruva	Company Secretary
Shri Vijay Bohra	Chief Financial Officer

(b) Entities which are related to the Company and with whom transactions have taken place during the year :

Names of the Entities:
Bajaj Holdings and Investment Ltd.
Bachhraj & Company Pvt. Ltd.
Bachhraj Factories Pvt. Ltd.
Baroda Industries Pvt. Ltd.
Jamnialal Sons Pvt. Ltd.

(c) Entities where control or significant influence exists :

Names of the Entities:
Baroda Industries Pvt. Ltd.
Bachhraj & Co Pvt. Ltd.
Bajaj Sevashram Pvt. Ltd.
Bachhraj Factories Pvt. Ltd.
Jamnialal Sons Pvt. Ltd.
Kamalnayan Investment & Trading Pvt. Ltd.
Lazy Tech Online Pvt. Ltd.
Niraj Holdings Pvt. Ltd.
Rahul Securities Pvt. Ltd.
Rupa Equities Pvt. Ltd.
Rapidkart Online Pvt. Ltd.
Simply Cheqit Pvt. Ltd.
Sanraj Nayan Investments Pvt. Ltd.
Bajaj Trading Company
Sunandi Investments

**Note :** Note: Related Party relationship is as identified by the Company and relied upon by the Auditors.

THE HINDUSTAN HOUSING COMPANY LIMITED

2) Transactions carried out with Related Parties referred to in I above, in the ordinary course of business:

Nature of Transaction	Related Parties	
	Referred in I(a) above ₹	Referred in I(b) above ₹
<b>Expenditure :</b>		
<b>Board Room Compensation</b>		
Bachhraj & Company Pvt. Ltd.		<b>3,00,000</b> (3,00,000)
<b>Payment to Key Managerial Personnel</b>		
Shri Pradeep Dhruva	<b>20,63,027</b> (5,21,280)	
<b>Income :</b>		
<b>Services</b>		
Jamnalal Sons Pvt. Ltd.		<b>6,22,322</b> (6,00,013)
Bajaj Holdings & Investments Ltd.		<b>1,25,66,566</b> (1,22,27,480)
Bachhraj & Company Pvt. Ltd.		<b>57,62,654</b> (55,91,108)
Baroda Industries Pvt. Ltd.		<b>19,57,897</b> (19,02,424)
Bachhraj Factories Pvt. Ltd.		<b>21,57,690</b> (20,96,640)
<b>Dividend Received</b>		
Bajaj Holdings & Investments Ltd.		<b>1,15,433</b> (6,18,775)
<b>Reimbursement of Expenses</b>		
Jamnalal Sons Pvt. Ltd.		<b>52,362</b> (5,51,487)
Bachhraj & Company Pvt. Ltd.		<b>61,884</b> (56,079)
Baroda Industries Pvt. Ltd.		<b>20,598</b> (21,142)
Bachhraj Factories Pvt. Ltd.		<b>9,023</b> (9,579)

- 2) Transactions carried out with Related Parties referred to in I above, in the ordinary course of business:

Nature of Transaction	Related Parties	
	Referred in I(a) above ₹	Referred in I(b) above ₹
<b>Payable Deposits / Advances</b>		
Jamnallal Sons Pvt. Ltd.		<b>1,05,000</b> (1,32,000)
Bachhraj Factories Pvt. Ltd.		<b>1,86,000</b> (2,33,000)
Bajaj Holdings and Investment Ltd.		<b>14,43,786</b> (18,82,572)
Bachhraj & Company Pvt. Ltd.		<b>5,86,000</b> (7,33,000)
Baroda Industries Pvt. Ltd.		<b>1,77,000</b> (2,22,000)

Figures in brackets relate to previous year.

\* All figures are net of Service Tax.

- 27.** (a) "Other Liabilities" and "Creditor for Capital Goods" in Note '7' to Account include (i) ₹Nil (31.03.2016 ₹ Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) ₹ 21,04,672 (31.03.2016 ₹ 33,42,397/-) due to other creditors.
- (b) During the year, no amounts have been paid beyond the appointed day in terms of MSME Act and there are no amounts paid towards interest. Further, there is no interest accrued / payable under the said Act as at the close of the year. The above disclosure is based on the information available with the Company regarding the status of the suppliers under the MSME Act.
- 28.** In the opinion of the Board of Directors, all items of Current Assets, Loans and Advances continue to have a realizable value of at least the amounts at which they are stated in the Balance Sheet, unless otherwise stated.
- 29.** Balances of Loans and advances, Creditors for Capital goods and Sundry Deposits are subject to confirmation and are as per books of account only. However, in the opinion of management, the reconciliation will not have any material impact on profitability of the Company for the year.
- 30.** The provisions of Section 135 of the Companies Act, 2013 read together with the rules framed thereunder relating to CSR initiatives which need to be undertaken by specified companies are at present not applicable to the Company.



**THE HINDUSTAN HOUSING COMPANY LIMITED**

31. The details of Specified Bank Notes (SBNs) of the denomination of ₹500/- and ₹1000/- as defined in the Notification of the Government of India, Ministry of Finance Department of Economic Affairs S.O. 3407(E) dated 8th November, 2016 held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as follows:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08/11/2016	17,000	5,041	22,041
( + ) Permitted Receipts	-	40,000	40,000
( - ) Permitted Payments	-	36,210	36,210
( - ) Amount Deposited in Banks	17,000	-	17,000
Closing Cash in Hand as on 30/12/2016	-	8,831	8,831

The balance in cash account on the dates mentioned in above table tallies with the Ledger of Cash Book / Account maintained by the Company. The Company has complied with all relevant guidelines/notifications issued by the Reserve Bank of India from time to time in respect of holding and dealing with SBN, and that the Company had proper controls, system and procedures in place for such compliances.

32. Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date  
**GIRISH M. PATHAK**  
 Partner  
 Membership No.102016  
 For & on Behalf of  
**K K MANKESHWAR & CO.**  
 Chartered Accountants  
 Firm Registration No.106009W

Mumbai : 29<sup>th</sup> May, 2017

**For The Hindustan Housing Company Ltd.**

**Vinaya Mehrotra**  
 Chairman

**Minal Bajaj**  
 Director

**Vinod Nevatia**  
 Director

**Pradeep Dhruva**  
 Company Secretary

**Vijay Bohra**  
 Chief Financial Officer

Mumbai : 29<sup>th</sup> May, 2017

# THE HINDUSTAN HOUSING COMPANY LTD.

(CIN: L45200MH1934PLC002346)

**Registered office :** Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

Email: prdhruva@bajajgroup.net.in, Website: www.hhclbajaj.com

Phone : 022 2202 3626, Fax : 022 22025160

## PROXY FORM

**Form No. MGT-11**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : L45200MH1934PLC002346  
Name of the company : **THE HINDUSTAN HOUSING COMPANY LTD.**  
Registered office : Bajaj Bhawan, 2<sup>nd</sup> Floor, Jamnalal Bajaj Marg, 226,  
Nariman Point, Mumbai - 400021

Name of the member (s) :	
Registered address :	
E-mail ID :	
Folio No/ Client Id / DP ID :	

I/We, being the member (s) of \_\_\_\_\_ Shares of the above named company, hereby appoint:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

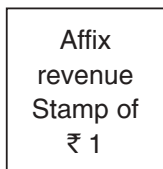
(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighty First Annual General Meeting of the company, to be held on **7th September, 2017**, at 4.30 p.m. at Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business:

1. Adoption of Financial Statements of the Company for the year ended 31st March 2017 and the Directors' and Auditors' Reports thereon.
2. Re-appointment of Shri Sanjivnayan Bajaj, who retires by rotation, as a Director of the Company.
3. Appointment of M/s K. K. Mankeshwar & Co, Chartered Accountants as Auditors of the Company and fixing their remuneration for the year 2017-2018.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017



Signature of shareholder

Signature of Proxy holder(s)

### Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.**

# The Hindustan Housing Company Limited

CIN: L45200MH1934PLC002346

**Registered Office :** 2nd Floor, Bajaj Bhawan,  
Jamnalal Bajaj Marg,  
226, Nariman Point,  
Mumbai- 400 021

**81st Annual Report 2016 - 2017**

## **BALLOT FORM**

(In lieu of E-voting)

1. Name:  
Registered Address  
of the Sole/First named Shareholder:

2. Name(s) of the Joint Shareholder(s)  
If any:

3. Registered Folio/DPID & Client ID No.

4. No. of Shares held:

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of Eighty first Annual General Meeting of the Company to be held on **7th September, 2017**, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Sr. No.	Description	No. of Equity Shares	I/We assent to the resolution. (FOR)	I/We dissent to the resolution. (AGAINST)
1	Adoption of Financial Statements of the Company for the year ended 2016-2017 and the Directors' and Auditors' Report thereon.			
2	Re-appointment of Shri Sanjivnayan Bajaj who retires by rotation as a Director of the Company.			
3	Ratification of Appointment of M/s. K. K. Mankeshwar & Co., Chartered Accountants, as Auditors and fixing their remuneration for the year 2017-2018.			

Place : \_\_\_\_\_

Date : \_\_\_\_\_

\_\_\_\_\_  
Signature of the Shareholder

**NOTE :** Kindly read the instructions before filling the form. Only valid Ballot Forms received by the Scrutiniser by 5.00 p.m. on **6th September, 2017** shall be considered

## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, **M/s Swati Nerurkar & Co.**, Company Secretaries, (FCS No. 18110 CP No. 8193), C/o Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072 or to her email: [swati@swatinerurkar.com](mailto:swati@swatinerurkar.com), so as to reach by 5.00 p.m. on 6th September, 2017. Ballot Form received there after will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event a member casts his votes through both the processes, i.e., e-voting and Ballot Form, the votes in the electronic system will be considered and the Ballot Form will be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. There will be only one Ballot Form for every Folio / DPID / Client ID irrespective of the number of joint members.
7. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
8. Where the Ballot Form has been signed by an authorized representative of the body corporate / Trust / Society, etc. a certified copy of the relevant authorization / Board resolution to vote should accompany the Ballot Form.
9. Shareholders, who wish to opt for E-voting, may log onto [www.evotingindia.com](http://www.evotingindia.com) and follow the procedure given in the Notice of Annual General Meeting which is also placed on the website of the Company.

**THE HINDUSTAN HOUSING COMPANY LIMITED**

Regd. Office : Bajaj Bhavan, 2nd floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

**Attendance Slip**

To be handed over at the entrance at the Meeting Hall

I/We hereby record my/our presence at the Eighty First Annual General Meeting held at Bajaj Bhavan, 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, at 4.30 p.m. on Thursday, 7<sup>th</sup> September 2017.

Name/s of Shareholder/s

Folio No.

\_\_\_\_\_  
Name of Proxy (In Block Letters)  
(To be filled in if the proxy attends instead of the member)

Signature of the Shareholder/s or Proxy

**THE HINDUSTAN HOUSING COMPANY LIMITED**

Regd. Office : Bajaj Bhavan, 2nd floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

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Name/s of Shareholder/s

Folio No.

\_\_\_\_\_  
Name of Proxy (In Block Letters)  
(To be filled in if the proxy attends instead of the member)

Signature of the Shareholder/s or Proxy