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**THE  
HINDUSTAN HOUSING  
COMPANY LIMITED**

**bajaj group**

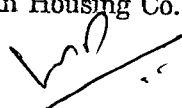
**73rd Annual Report  
2008-2009**

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**CERTIFIED TRUE COPY**

For The Hindustan Housing Co. Ltd.

  
Authorised Signatory

## **THE HINDUSTAN HOUSING COMPANY LIMITED**

### **Board of Directors**

Niraj Bajaj - (w.e.f. 15.01.2009)  
Chairman  
Sanjivnayan Bajaj (w.e.f. 15.01.2009)  
Vinaya Mehrotra  
Vinod K. Nevatia  
Shishir Bajaj (upto 31.01.2009)  
Minakshi Bajaj (upto 31.01.2009)

### **Auditors**

Dalal & Shah  
Chartered Accountants

### **Bankers**

Central Bank of India

### **Registered Office**

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

## NOTICE

**NOTICE** is hereby given that the Seventy Third Annual General Meeting of the Members of The Hindustan Housing Company Limited will be held on Thursday, 17<sup>th</sup> September, 2009, at 3.00 p.m. at the Registered Office of the Company at Bajaj Bhavan, 2nd floor, Jarnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400-021, to transact the following business :

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Vinaya Mehrotra, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office for the period commencing from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### **SPECIAL BUSINESS :**

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

**“RESOLVED THAT** Mr. Niraj Bajaj, who was appointed by the Board of Directors of the Company as an Additional Director of the Company on 15<sup>th</sup> January, 2009 and who holds office as such upto the date of this Annual General Meeting, and in respect of whom the company has, as required by section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the director, be and is hereby appointed as Director of the Company.”

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

**“RESOLVED THAT** Mr. Sanjivnayan Bajaj, who was appointed by the Board of Directors of the Company as an Additional Director of the Company on 15<sup>th</sup> January, 2009 and who holds office as such upto the date of this Annual General Meeting, and in respect of whom the company has, as required by section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the director, be and is hereby appointed as Director of the Company.”

### **NOTES :**

1. **NOTICE** is also hereby given that the Register of Members of the Company will remain closed from 13<sup>th</sup> September, 2009 to 17<sup>th</sup> September, 2009 (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.**
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 hours before the commencement of the meeting.
4. Members are requested to notify the change in their address, if any, to the Company immediately.

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

**Niraj Bajaj**  
Director

Mumbai : 30<sup>th</sup> June, 2009

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

#### **In respect of Item No. 4 of the Notice**

Mr. Niraj Bajaj was appointed as an Additional Director on 15<sup>th</sup> January, 2009 by the Board of Directors of the Company. The Company has received a notice in writing alongwith a deposit, pursuant to and in accordance with Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Niraj Bajaj as a candidate for the office of the director.

Mr Niraj Bajaj has consented to continue as Director of the Company, if appointed. The Board of Directors considers that it would be in the interest of the Company to continue to avail the services of Mr. Niraj Bajaj as a Director and hence recommend his appointment.

Mr. Niraj Bajaj, aged 54 years, is the Chairman and Managing Director of Mukand Ltd., besides being on the Boards of various other Companies.

Mr. Niraj Bajaj holds 220 Equity shares in the Company.

A copy each of the notice received under Section 257 of the Companies Act, 1956 and the consent received from Mr. Niraj Bajaj, as referred to hereinabove, is available for inspection by members during business hours on all working days at the registered office of the Company upto the date of the meeting.

The Board of Directors of the Company recommend passing of the Ordinary Resolution at Item No. 4 of the Notice.

None of the Directors of the Company except Mr. Niraj Bajaj himself is concerned or interested in the said Resolution.

#### **In respect of Item No. 5 of the Notice**

Mr. Sanjivnayan Bajaj was appointed as an Additional Director on 15<sup>th</sup> January, 2009 by the Board of Directors of the Company. The Company has received a notice in writing alongwith deposit, pursuant to and in accordance with Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Sanjivnayan Bajaj as a candidate for the office of the director.

Mr. Sanjivnayan Bajaj has consented to continue as Director of the Company, if appointed. The Board of Directors considers that it would be in the interest of the Company to continue to avail the services of Mr. Sanjivnayan Bajaj as a Director and hence recommend his appointment.

Mr. Sanjivnayan Bajaj, aged 39 years, is the Managing Director of Bajaj Finserv Ltd. and Executive Director of Bajaj Auto Ltd, besides being on the Boards of various other Companies.

Mr. Sanjivnayan Bajaj does not hold any Equity shares in the Company.

A copy each of the notice received under Section 257 of the Companies Act, 1956 and the consent received from Mr. Sanjivnayan Bajaj, as referred to hereinabove, is available for inspection by members during business hours on all working days at the registered office of the Company upto the date of the meeting.

The Board of Directors of the Company recommend passing of the Ordinary Resolution at Item No. 5 of the Notice.

None of the Directors of the Company except Mr. Mr. Sanjivnayan Bajaj himself is concerned or interested in the said Resolution.

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

**Niraj Bajaj**  
Director

Mumbai : 30<sup>th</sup> June, 2009

THE HINDUSTAN HOUSING COMPANY LIMITED

**DIRECTORS' REPORT**

Your Directors present their Seventy Third Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2009.

**1. Financial Results :**

|  | F. Y.<br>2008-2009<br>Rs. | F.Y.<br>2007-2008<br>Rs. |
|--|---------------------------|--------------------------|
| Profit for the year before tax                         | 17,38,493                 | 67,18,620                |
| Less : Provision for Taxation                          | 4,51,174                  | 6,13,000                 |
| Profit after tax                                       | 12,87,319                 | 61,05,620                |
| <b><u>Add/(Less) :</u></b>                             |                           |                          |
| Excess Provision for taxes in respect of earlier years | —                         | 1,25,995                 |
| Balance brought forward from Previous year             | 1,57,76,948               | 1,01,54,897              |
| Balance available for appropriation                    | 1,70,64,267               | 1,63,86,512              |
| <b><u>Less : Appropriations:</u></b>                   |                           |                          |
| Proposed Dividend                                      | —                         | 1,21,000                 |
| Tax on Proposed Dividend                               | —                         | 20,564                   |
| Transfer to General Reserve                            | —                         | 4,68,000                 |
| Balance carried to Balance Sheet                       | 1,70,64,267               | 1,57,76,948              |

**2. Dividend :**

The Board of Directors of the Company do not recommend dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2009.

**3. Directors :**

Shri Vinaya Mehrotra, Director of the Company retires by rotation and being eligible, offers himself for reappointment.

Shri Shishir Bajaj and Smt. Minakshi Bajaj have ceased to be Directors of the Company with effect from 31<sup>st</sup> January, 2009.

Mr. Niraj Bajaj and Mr. Sanjivnayan Bajaj were appointed as Additional Directors of the Company with effect from 15<sup>th</sup> January, 2009. They hold office as such Directors upto the date of the ensuing Annual General Meeting of the Company.

Mr. Niraj Bajaj and Mr. Sanjivnayan Bajaj are eligible for appointment as Directors of the Company. Mr Niraj Bajaj and Mr. Sanjivnayan Bajaj have consented to continue as Directors of the Company, if appointed and being eligible have offered themselves for the appointment.

4. **Particulars of employees :**

There were no employees in respect of whom information as per Section 217(2A) of the Companies Act, 1956 read with rules framed thereunder is required to be given in the Director's Report.

5. **Other Information :**

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 the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

Further, there was no Foreign Exchange earnings and/or outgo during the year under review.

6. **Directors' Responsibility Statement :**

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended as at 31<sup>st</sup> March, 2009 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, 1956 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.

7. **Auditors :**

M/s. Dalal & Shah, Chartered Accountants, Mumbai, Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to appoint Auditors of the Company for the period from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

For and on behalf of the Board of Directors  
**The Hindustan Housing Company Ltd.**

**Niraj Bajaj**  
 Chairman

Mumbai : 30<sup>th</sup> June, 2009

THE HINDUSTAN HOUSING COMPANY LIMITED

**REPORT OF THE AUDITOR TO THE MEMBERS**

We have audited the attached Balance Sheet of **THE HINDUSTAN HOUSING COMPANY LIMITED**, as at 31<sup>st</sup> March, 2009, and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) Based on the representations made by the Directors of the Company and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors of the Company is, prima-facie, as at 31<sup>st</sup> March, 2009, disqualified from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants

**Venkatesh Subramanian**  
Partner  
Membership No. 37942

Mumbai: 30th June, 2009

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 OF THE HINDUSTAN HOUSING COMPANY LIMITED.**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

- (i) (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of its fixed assets;
- (b) As explained to us, fixed assets are physically verified by the Management once every two years, which, in our opinion, is reasonable, looking to the size of the Company and the nature of assets. According to the information and explanations given to us, the assets have been verified at the close of the year and no discrepancies were noticed as compared to book records;
- (c) The Company has not disposed off any fixed asset during the year;
- (ii) The Company does not have any inventory.
- (iii) According to the information and explanations given to us, the Company has not granted / taken any loan, secured or unsecured, to / from company, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- (iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and for sale of services provided. The Company does not have any inventory and there were no sale of goods during the year. During the course of our audit, no major weakness in internal control, has come to our notice;
- (v) (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations made to us, we are of the opinion that, the particulars of contracts or arrangements in which directors were interested as contemplated under Section 297 and Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered;
- (b) In our opinion and according to the information, explanations and representation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to market prices prevailing at that time;
- (vi) The Company has not accepted any deposits from the public during the year;
- (vii) In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business ;
- (viii) (a) According to the records of the Company, it has generally been regular in depositing undisputed statutory dues of Provident Fund, Investor Education and Protection Fund, Income tax, Service tax, Wealth tax, Cess and other statutory dues with the appropriate authorities. As explained to us, the Employees State Insurance Scheme is, at present, not applicable to the Company. Looking to the activities being carried on by the Company at present, there were no dues towards Sales tax, Custom duty and Excise duty;



- (b) On the basis of our examination of the documents and records, there were no disputed dues in respect of Sales tax, Income tax, Wealth tax, Service tax, Custom duty, Excise duty or Cess;
- (ix) The Company neither has accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year;
- (x) On the basis of the records examined by us and the information and explanations given to us, there were no dues to banks, financial institutions or debenture holders;
- (xi) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- (xii) In respect of shares, securities, debentures and other investments dealt or traded by the Company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments have been held by the Company in its own name;
- (xiii) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- (xiv) The Company has not obtained any term loan during the year;
- (xv) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we are of the opinion that, prima facie, as at the close of the year, short term funds have not been used for long term investment;
- (xvi) The Company has not made any preferential allotment of shares during the year;
- (xvii) The Company has not issued any debentures during the year;
- (xviii) The Company has not raised any money by public issue during the year;
- (xix) According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year;

Looking to the nature of activities being carried on, at present, by the Company, and also considering the nature of the matters referred to in various clauses of the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, clauses (ii) (b), (c), (iii) (b), (c), (d), (e), (f), (g), (viii) and (xiii) of paragraph 4 of the aforesaid Order, are in our opinion, not applicable to the Company.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants

**Venkatesh Subramanian**  
Partner

Mumbai: 30th June, 2009

Membership No.:37942

## THE HINDUSTAN HOUSING COMPANY LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2009

|  | Schedule<br>No. | As at<br>31/03/2009<br>Rs. | As at<br>31/03/2008<br>Rs. |
|--|-----------------|----------------------------|----------------------------|
| <b>I. SOURCES OF FUNDS :</b>                       |                 |                            |                            |
| <b>I. SHAREHOLDERS' FUNDS</b>                      |                 |                            |                            |
| a) Share Capital                                   | 1               | 608,645                    | 608,645                    |
| b) Reserves and Surplus                            | 2               | 19,784,696                 | 18,497,377                 |
| <b>2. DEFERRED TAX LIABILITY (Net)</b>             |                 | <u>1,252,589</u>           | <u>1,278,415</u>           |
| <b>TOTAL</b>                                       |                 | <u><u>21,645,930</u></u>   | <u><u>20,384,437</u></u>   |
| <b>II. APPLICATION OF FUNDS :</b>                  |                 |                            |                            |
| <b>I. FIXED ASSETS :</b>                           |                 |                            |                            |
| 3  |                 |                            |                            |
| Gross Block  |                 | 13,275,159                 | 13,269,098                 |
| Less : Depreciation                                |                 | <u>5,243,479</u>           | <u>4,754,225</u>           |
| Net Block  |                 | 8,031,680                  | 8,514,873                  |
| <b>2. INVESTMENTS</b>                              | 4               | 15,245,595                 | 14,997,648                 |
| <b>3. CURRENT ASSETS, LOANS AND ADVANCES :</b>     |                 |                            |                            |
| 5  |                 |                            |                            |
| a) Sundry Debtors                                  |                 | 3,097,989                  | 1,911,821                  |
| b) Cash and Bank Balances                          |                 | 907,363                    | 948,425                    |
| c) Other Current Assets                            |                 | 135,370                    | 122,877                    |
| d) Loans and Advances                              |                 | <u>3,559,736</u>           | <u>2,821,818</u>           |
|  |                 | 7,700,458                  | 5,804,941                  |
| <b>Less : CURRENT LIABILITIES AND PROVISIONS :</b> |                 |                            |                            |
| 6  |                 |                            |                            |
| a) Current Liabilities                             |                 | 6,830,989                  | 6,820,772                  |
| b) Provisions                                      |                 | <u>2,500,814</u>           | <u>2,112,253</u>           |
|  |                 | 9,331,803                  | 8,933,025                  |
| <b>Net Current Assets</b>                          |                 | <u>(1,631,345)</u>         | <u>(3,128,084)</u>         |
| <b>TOTAL</b>                                       |                 | <u><u>21,645,930</u></u>   | <u><u>20,384,437</u></u>   |

Statement of Significant Accounting  
Policies adopted by the Company and  
Notes forming part of the Accounts

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As per our attached report of even date  
For and on behalf of

**DALAL & SHAH**  
Chartered Accountants

**Niraj Bajaj**  
Director

**Venkatesh Subramanian**  
Partner

**Vinaya Mehrotra**  
Director

Mumbai : 30th June, 2009

Mumbai: 30th June, 2009

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.**

|   | Schedule<br>No. | 2008-2009<br>Rs.  | 2007-2008<br>Rs.  |
|---|-----------------|-------------------|-------------------|
| <b>INCOME :</b>   |                 |                   |                   |
| Receipts from Services Provided   | 7               | 14,042,368        | 12,613,320        |
| Other Income  | 8               | 634,890           | 511,552           |
| Profit on Sale of Long Term Investment  |                 | -                 | 4,567,766         |
| Profit on Sale of Current Investments   |                 | -                 | 496,145           |
|   |                 | <u>14,677,258</u> | <u>18,188,783</u> |
| <b>EXPENDITURE :</b>  |                 |                   |                   |
| Employees' Emoluments   | 9               | 3,975,772         | 3,949,495         |
| Other Expenses  | 10              | 8,473,739         | 7,028,561         |
| Depreciation  |                 | 489,254           | 492,107           |
|   |                 | <u>12,938,765</u> | <u>11,470,163</u> |
| <b>Profit for the year before tax</b>   |                 | <b>1,738,493</b>  | <b>6,718,620</b>  |
| Provision for taxation :  |                 |                   |                   |
| Current Tax   | 450,000         |                   | 600,000           |
| Deferred Tax Credit   | (25,826)        |                   | (12,000)          |
| Fringe Benefits Tax   | 27,000          |                   | 25,000            |
|   |                 | <u>451,174</u>    | <u>613,000</u>    |
| <b>Profit for the year after tax</b>  |                 | <b>1,287,319</b>  | <b>6,105,620</b>  |
| <b>(Add) / Less :</b>   |                 |                   |                   |
| Excess Provision for taxes in respect of earlier years                                      |                 | -                 | (125,995)         |
|   |                 | <u>1,287,319</u>  | <u>6,231,615</u>  |
| Balance brought forward from Previous Year  |                 | <u>15,776,948</u> | <u>10,154,897</u> |
| <b>BALANCE AVAILABLE FOR APPROPRIATION</b>  |                 | <b>17,064,267</b> | <b>16,386,512</b> |
| <b>APPROPRIATION:</b>   |                 |                   |                   |
| Proposed Dividend   |                 | -                 | 121,000           |
| Tax on Proposed Dividend  |                 | -                 | 20,564            |
| Transfer to General Reserve   |                 | -                 | 468,000           |
|   |                 | <u>17,064,267</u> | <u>15,776,948</u> |
| <b>Balance carried to Balance Sheet</b>   |                 |                   |                   |
| Weighted average number of Equity Shares outstanding during the year                        |                 | 24,200            | 24,200            |
| Basic and Diluted Earnings per share after considering Profit on Sale of Investments        |                 | 53.20             | 257.50            |
| Basic and Diluted Earnings per share excluding Profit on Sale of Investments ( Net of Tax ) |                 | 53.20             | 69.81             |
| Nominal Value per Share   |                 | 25.00             | 25.00             |

Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Accounts

II

As per our attached report of even date

For and on behalf of

**DALAL & SHAH**

Chartered Accountants

**Venkatesh Subramanian**

Partner

**Niraj Bajaj**  
Director

**Vinaya Mehrotra**  
Director

Mumbai : 30th June, 2009

Mumbai: 30th June, 2009

**SCHEDULES 'I' TO 'II' ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2009.**

|  | <b>As at<br/>31-03-2009<br/>Rs.</b> | <b>As at<br/>31-03-2008<br/>Rs.</b> |
|--|-------------------------------------|-------------------------------------|
| <b><u>SCHEDULE 'I'- SHARE CAPITAL :</u></b>          |                                     |                                     |
| <b>AUTHORISED :</b>                                  |                                     |                                     |
| 40,000 Equity Shares of Rs.25/- each                 | <u><b>1,000,000</b></u>             | <u>1,000,000</u>                    |
| <b>ISSUED :</b>                                      |                                     |                                     |
| 24,531 Equity Shares of Rs.25/- each                 | <u><b>613,275</b></u>               | <u>613,275</u>                      |
| <b><u>SUBSCRIBED AND PAID UP :</u></b>               |                                     |                                     |
| 24,200 Equity Shares of Rs.25/- each, fully paid up. | <b>605,000</b>                      | 605,000                             |
| Add : Forfeited Shares (amounts originally paid up)  | <b>3,645</b>                        | 3,645                               |
|  | <u><b>608,645</b></u>               | <u>608,645</u>                      |

Note : Of the above Shares, 18,150 Equity Shares were allotted as fully paid up Bonus Shares by capitalisation of General Reserve.

**SCHEDULE '2' - RESERVES AND SURPLUS :**

|   |                          |                   |
|---|--------------------------|-------------------|
| General Reserve                             |                          |                   |
| As per last account                         | <b>2,720,429</b>         | 2,252,429         |
| Add : Transfer from Profit and Loss Account | —                        | 468,000           |
|   | <u><b>2,720,429</b></u>  | <u>2,720,429</u>  |
| Surplus as per Profit and Loss Account      | <b>17,064,267</b>        | 15,776,948        |
|   | <u><b>19,784,696</b></u> | <u>18,497,377</u> |

**THE HINDUSTAN HOUSING COMPANY LIMITED**

**THE HINDUSTAN HOUSING COMPANY LIMITED**

**SCHEDULE '3' - FIXED ASSETS**

(Amount in Rupees)

| ASSETS  | GROSS BLOCK (AT COST) |                         |                            |                     | DEPRECIATION       |                 |                            |                     | NET BLOCK           |                     |
|---|-----------------------|-------------------------|----------------------------|---------------------|--------------------|-----------------|----------------------------|---------------------|---------------------|---------------------|
|   | As at<br>01/04/2008   | Addition/<br>Adjustment | (Deduction)/<br>Adjustment | As at<br>31/03/2009 | Upto<br>31/03/2008 | For the<br>Year | (Deduction)/<br>Adjustment | Up to<br>31/03/2009 | As at<br>31/03/2009 | As at<br>31/03/2008 |
| Premises on Ownership basis in a Co-operative Society * | 5,394,176             | —                       | —                          | 5,394,176           | 852,920            | 87,918          | —                          | 940,838             | 4,453,338           | 4,541,256           |
| Lift  | 1,063,686             | —                       | —                          | 1,063,686           | 472,665            | 50,525          | —                          | 523,190             | 540,496             | 591,021             |
| Furniture, Fixture and Equipments                       | 3,148,297             | 6,061                   | —                          | 3,154,358           | 1,650,306          | 191,003         | —                          | 1,841,309           | 1,313,049           | 1,497,991           |
| Air Conditioner Plant                                   | 660,237               | —                       | —                          | 660,237             | 268,464            | 31,361          | —                          | 299,825             | 360,412             | 391,773             |
| Office Equipments                                       | 1,074,675             | —                       | —                          | 1,074,675           | 300,645            | 50,376          | —                          | 351,021             | 723,654             | 774,030             |
| Computers   | 1,028,063             | —                       | —                          | 1,028,063           | 810,370            | 36,817          | —                          | 847,187             | 180,876             | 217,693             |
| Electrical Equipment                                    | 899,964               | —                       | —                          | 899,964             | 398,855            | 41,254          | —                          | 440,109             | 459,855             | 501,109             |
| <b>Total</b>  | <b>13,269,098</b>     | <b>6,061</b>            | <b>—</b>                   | <b>13,275,159</b>   | <b>4,754,225</b>   | <b>489,254</b>  | <b>—</b>                   | <b>5,243,479</b>    | <b>8,031,680</b>    | <b>8,514,873</b>    |
| Previous Year's Total                                   | 13,188,290            | 80,808                  | —                          | 13,269,098          | 4,262,118          | 492,107         | —                          | 4,754,225           | 8,514,873           |                     |

Note :

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

**SCHEDULE '4' - INVESTMENTS (Non-Trade Investments) :**

|   |               | As at             |               | As at             |  |
|---|---------------|-------------------|---------------|-------------------|--|
|   |               | 31/03/2009        |               | 31/03/2008        |  |
|   |               | Rs.               |               | Rs.               |  |
| <b>I LONG TERM INVESTMENTS (At Cost):</b>   |               |                   |               |                   |  |
| <b>Shares (Quoted) :</b>  | <b>Nos.</b>   |                   | <b>Nos.</b>   |                   |  |
| *Bajaj Holdings & Investment Limited (BHIL)<br>(Equity Shares of Rs.10/- each fully paid up)                        | 7,200         | 24,366            | 7200          | 43,125            |  |
| *Bajaj Finserv Limited<br>(Equity Shares of Rs.5/- each fully paid up)  | 7,200         | 9,530             | -             | -                 |  |
| *Bajaj Auto Limited<br>(Equity Shares of Rs.10/- each fully paid up)  | 7,200         | 9,229             | -             | -                 |  |
|   |               | <u>43,125</u>     |               | <u>43,125</u>     |  |
| * Received on demerger of BHIL (erstwhile Bajaj Auto Limited)   |               |                   |               |                   |  |
| <b>Units of Mutual Fund of Rs. 10/- each (Unquoted) :</b>   |               |                   |               |                   |  |
| 1. Reliance Equity Opportunities Fund - Growth Plan<br>(NAV Rs.405,780 /- ; P.Y.Rs.655,779/-)                       | 30,000.000    | 300,000           | 30,000.000    | 300,000           |  |
| 2. Reliance Diversified Power Sector Fund - Growth<br>Plan (NAV Rs.1,792,242/- ; P.Y.Rs.2,790,618/-)                | 44,369.903    | 500,000           | 44,369.903    | 500,000           |  |
| 3. Reliance Equity Fund - Growth Plan<br>(NAV Rs.1,676,141/- ; P.Y.Rs.2,396,498/-)                                  | 180,459.180   | 1,804,592         | 180,459.180   | 1,804,592         |  |
| 4. Reliance Fixed Horizon Fund -IX Series 2-<br>-Institutional Growth Plan<br>(NAV Rs.11,985,421/- ; P.Y.Rs.Nil /-) | 1,111,840.773 | 11,118,408        | -             | -                 |  |
| 5. Principal Large Cap Fund - Growth Plan<br>(NAV Rs.1,875,202 /- ; P.Y.Rs.2,896,724/-)                             | 144,691.486   | 1,479,470         | 144,691.486   | 1,479,470         |  |
|   |               | <u>15,202,470</u> |               | <u>4,084,062</u>  |  |
| <b>Sub Total - Long Term ( I )</b>  |               | <u>15,245,595</u> |               | <u>4,127,187</u>  |  |
| <b>II CURRENT INVESTMENTS (At Lower of<br/>Cost and Fair Value) :</b>   |               |                   |               |                   |  |
| <b>Units of Mutual Fund of Rs. 10/- each (Unquoted) :</b>   |               |                   |               |                   |  |
| Reliance Monthly Interval Fund-Series I<br>Institutional Dividend Plan  |               |                   |               |                   |  |
| 1. Reliance Equity Opportunities Fund - Growth Plan<br>(NAV Rs.NIL/- ; P.Y.Rs.10,876,879/- )                        |               | -                 | 1,086,134.766 | 10,870,461        |  |
|   |               |                   |               | <u>10,870,461</u> |  |
| <b>Sub Total - Current ( II )</b>   |               |                   |               | <u>10,870,461</u> |  |
| <b>Grand Total ( I + II )</b>   |               | <u>15,245,595</u> |               | <u>14,997,648</u> |  |

**Notes :**

1. All the above Long Term Investments have been so classified by the Company, in view of its intention to hold the same on long term basis.

2.

|                                | Book Value ( Rs.) |                   | Market Value ( Rs.) |            |
|--------------------------------|-------------------|-------------------|---------------------|------------|
|                                | 31/03/2009        | 31/03/2008        | 31/03/2009          | 31/03/2008 |
| Quoted Investment              | 43,125            | 43,125            | 7,803,720           | 4,978,440  |
| Aggregate Unquoted Investments | <u>15,202,470</u> | <u>14,954,523</u> |                     |            |
|                                | <u>15,245,595</u> | <u>14,997,648</u> |                     |            |

**3. During the year the Company acquired and sold the following investments:**

|   | Nos.        | Purchase Value<br>Amount ( Rs.) |
|---|-------------|---------------------------------|
| <b>Mutual Fund Units</b>  |             |                                 |
| Reliance Liquid Fund- Treasury Plan- IP Daily<br>Dividend Option        | 727,301.777 | 11,118,408                      |
| Reliance Monthly Interval Fund Series I<br>Institutional Dividend Plan  | 24,990.671  | 250,082                         |
| Reliance Money Manager Fund Institutional Option<br>Daily Dividend Plan | 1,025.948   | 1,027,114                       |

**THE HINDUSTAN HOUSING COMPANY LIMITED**

|  | As at<br>31/3/2009<br>Rs. | As at<br>31/3/2008<br>Rs. |
|--|---------------------------|---------------------------|
| <b>SCHEDULE ' 5 ' - CURRENT ASSETS, LOANS AND ADVANCES</b>   |                           |                           |
| a) <b>Sundry Debtors :</b>   |                           |                           |
| (Unsecured, considered good, unless otherwise specified)   |                           |                           |
| Debts outstanding for a period exceeding six months  | 350,312                   | 186,873                   |
| Other Debts  | 2,747,677                 | 1,724,948                 |
|  | <u>3,097,989</u>          | <u>1,911,821</u>          |
| (Includes Rs.606,723 /- from Private Companies in which the Directors of the Company are Director/Member ; P.Y.Rs. 1,31,134/-)                 |                           |                           |
| b) <b>Cash and Bank Balances :</b>   |                           |                           |
| Cash on hand   | 16,460                    | 5,987                     |
| Balances with a Scheduled Bank:<br>In Current Accounts   | 890,903                   | 942,438                   |
|  | <u>907,363</u>            | <u>948,425</u>            |
| c) <b>Other Current Assets :</b>   |                           |                           |
| Interest Receivable  | 40,744                    | 52,532                    |
| Expenses Recoverable (Includes Rs.10,538/- from Private Companies in which the Directors of the Company are Directors/Member ; P.Y.Rs.15725/-) | 94,626                    | 70,345                    |
|  | <u>135,370</u>            | <u>122,877</u>            |
| d) <b>Loans and Advances :</b>   |                           |                           |
| (Unsecured, considered good, unless otherwise specified)   |                           |                           |
| Loans to employees   | 53,900                    | 135,816                   |
| Advances recoverable in cash or in kind or for value to be received  | 319,808                   | 125,761                   |
| Sundry Deposits  | 1,049,647                 | 974,647                   |
| Advance Payment of Tax<br>(including Tax Deducted at Source)   | 2,136,381                 | 1,585,594                 |
|  | <u>3,559,736</u>          | <u>2,821,818</u>          |
|  | <u>7,700,458</u>          | <u>5,804,941</u>          |

**SCHEDULE ' 6 ' - CURRENT LIABILITIES AND PROVISIONS :**

|  |                  |                  |
|--|------------------|------------------|
| a) <b>Current Liabilities :</b>                              |                  |                  |
| Sundry Creditors<br>[Refer Note B (9)]                       | 2,258,055        | 1,499,581        |
| Advances / Deposits received against Services to be provided | 4,300,296        | 5,091,013        |
| Unclaimed Dividends *  | 72,765           | 59,665           |
| Other Liabilities  | 199,873          | 170,513          |
|  | <u>6,830,989</u> | <u>6,820,772</u> |
| b) <b>Provisions :</b>                                       |                  |                  |
| Provision for Taxation                                       | 1,880,940        | 1,403,940        |
| Provision for Leave Encashment                               | 619,874          | 566,749          |
| Proposed Dividend  | -                | 121,000          |
| Tax on Proposed Dividend                                     | -                | 20,564           |
|  | <u>2,500,814</u> | <u>2,112,253</u> |
|  | <u>9,331,803</u> | <u>8,933,025</u> |

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

## THE HINDUSTAN HOUSING COMPANY LIMITED

|  | <u>2008-2009</u>  | <u>2007-2008</u>  |
|--|-------------------|-------------------|
|  | Rs.               | Rs.               |
| <b><u>SCHEDULE ' 7 ' - RECEIPTS FROM SERVICES PROVIDED :</u></b> |                   |                   |
| ADMINISTRATIVE AND ALLIED SERVICES :                             |                   |                   |
| Airconditioning Service Charges                                  | 6,629,041         | 5,529,032         |
| Lift Service Charges   | 104,412           | 104,412           |
| Computer Service Charges   | 196,117           | 201,745           |
| Communication Service Charges                                    | 810,850           | 745,885           |
| General Administration Service Charges                           | 3,032,532         | 3,177,366         |
| Photocopying Service Charges                                     | 180,295           | 219,030           |
| Housekeeping Service Charges                                     | 953,836           | 748,453           |
| Dining Room Service Charges                                      | 1,721,965         | 1,474,077         |
| Strong Room Service Charges                                      | 53,320            | 53,320            |
| Board Room Compensation  | 360,000           | 360,000           |
|  | <u>14,042,368</u> | <u>12,613,320</u> |

### **SCHEDULE ' 8 ' - OTHER INCOME :**

|  |                |                |
|--|----------------|----------------|
| Dividend :   |                |                |
| Long Term Investments  | 295,200        | 298,500        |
| Current Investments  | 279,349        | 99,804         |
|  | <u>574,549</u> | <u>398,304</u> |
| Interest-Others (TDS Rs.23,692/-, P.Y. Rs.Nil)   | 60,341         | 76,782         |
| Provision No Longer Required   | -              | 35,424         |
| Miscellaneous Income   | -              | 1,042          |
| Profit on Sale of Current Investments  |                |                |
| 50% share of profit in the Partnership Firm<br>as certified by a Partner [Refer Note B(1)] |                | -              |
|  | <u>634,890</u> | <u>511,552</u> |

### **SCHEDULE ' 9 ' - EMPLOYEES' EMOLUMENTS :**

|   |                  |                  |
|---|------------------|------------------|
| Salaries, Allowances, Bonus, etc.                                 | 3,153,241        | 2,845,734        |
| Contribution to Provident and Other Funds ( Defined Benefit Plan) | 467,959          | 783,831          |
| Staff Welfare Expenses  | 354,572          | 319,930          |
|   | <u>3,975,772</u> | <u>3,949,495</u> |



**THE HINDUSTAN HOUSING COMPANY LIMITED**

|   | <u>2008-2009</u>        | <u>2007-2008</u>        |
|---|-------------------------|-------------------------|
|   | Rs.                     | Rs.                     |
| <b>SCHEDULE ' 10 ' - OTHER EXPENSES :</b> |                         |                         |
| Electricity and Power                     | 5,074,660               | 4,183,844               |
| Repairs                                   | 9,620                   | 53,742                  |
| Insurance                                 | 7,157                   | 10,481                  |
| Rates and Taxes                           | 492,562                 | 375,793                 |
| Maintenance and Service Contract Charges  | 465,049                 | 416,473                 |
| Compensation paid for use of Premises     | 300,000                 | 300,000                 |
| Travelling and Conveyance                 | 74,989                  | 62,058                  |
| Telephone and Postage                     | 34,058                  | 28,283                  |
| Legal and Professional Charges            | 95,687                  | 36,518                  |
| Directors' Sitting Fees                   | 19,000                  | 14,000                  |
| <b>Auditors' Remuneration :</b>           |                         |                         |
| Fees as Auditors                          | 27,575                  | 28,090                  |
| Fees as Tax Auditors                      | 4,964                   | 5,056                   |
| Fees for other work                       | 11,796                  | 11,796                  |
| Out of Pocket Expenses                    | 2,828                   | 1,338                   |
|   | <u>47,163</u>           | <u>46,280</u>           |
| Printing and Stationery                   | 24,580                  | 23,505                  |
| Advertisement                             | 20,250                  | 15,154                  |
| Housekeeping Charges                      | 776,864                 | 605,770                 |
| General Administration Service Expenses   | 575,272                 | 480,024                 |
| Miscellaneous Expenses                    | 165,556                 | 163,775                 |
| Loss on Sale of Current Investments       | 4,288                   | -                       |
| Income Tax Refund Receivable written off  | 89,445                  | -                       |
| Photocopying expenses                     | 197,539                 | 212,861                 |
|   | <u><u>8,473,739</u></u> | <u><u>7,028,561</u></u> |

## THE HINDUSTAN HOUSING COMPANY LIMITED

### SCHEDULE II

Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Accounts:

**A. Significant Accounting Policies:**

1. Fixed Assets are carried at cost of acquisition less accumulated depreciation.
2. (a) Depreciation is provided on Straight Line Method at the rates and in the manner specified from time to time in Schedule XIV to the Companies Act, 1956.  
(b) Depreciation on additions to assets or on sale/discardment of assets is calculated pro-rata from the month of such addition or upto the month of such sale, as the case may be.
3. Income from rendering of services is recognised in the year in which the service is performed as per the proportionate completion method. All other revenues/incomes and costs/expenditure are generally accounted on accrual, as they are earned or incurred.
4. The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.
5. Investments are classified into Long Term and Current Investments. Long Term Investments are stated at cost of acquisition. Diminution, if any, in the value of Long Term Investments, other than temporary, is provided for each investment individually. Current Investments are stated at Cost or Fair Value, whichever is lower.

**6. Taxation:**

Income-Tax expense comprises current tax; fringe benefits tax (FBT) and deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Provision for FBT is made on the fringe benefits provided/deemed to have been provided at the values and rates applicable to the relevant assessment year. 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.

**7. Employee Benefits :**

**A. Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

**7. Employee Benefits :**

**A. Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

**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 Profit and Loss Account. The fair value of the Plan Assets of the Trust, constituted for the benefit of the employees, is reduced from the gross obligation under the Defined Benefit Plans, to recognize the obligation on a net basis;

**-Provident Fund**

Monthly contributions are made to a 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.

**C. Long term compensated absences are provided on the basis of an actuarial valuation**

**D. Termination Benefit :**

Termination benefits are recognized as and when incurred.

**8. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, 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.

**B. Notes Forming Part of the Accounts:**

**1. 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):**

|   | <b>Partners</b>                   | <b>Share of Profit %</b> | <b>Capital as on 31/3/2009<br/>Rs.</b> | <b>Capital as on 31/3/2008<br/>Rs.</b> |
|---|-----------------------------------|--------------------------|--|--|
| 1 | Shri Gauriduttji Mittal (HUF)     | <b>10</b>                | -                                      | -                                      |
| 2 | Shri Govindramji Mittal (HUF)     | <b>5</b>                 | -                                      | -                                      |
| 3 | Shri Brahmadduttji Mittal (HUF)   | <b>10</b>                | -                                      | -                                      |
| 4 | Shri Brahmadduttji Mittal (HUF)   | <b>3</b>                 | -                                      | -                                      |
| 5 | Shri Shankarlalji Mittal (HUF)    | <b>9</b>                 | -                                      | -                                      |
| 6 | Smt. Kantadevi Mittal             | <b>10</b>                | -                                      | -                                      |
| 7 | Smt. Pushpa Mittal                | <b>3</b>                 | -                                      | -                                      |
| 8 | The Hindustan Housing Co. Limited | <b>50</b>                | -                                      | -                                      |

2. Contingent liability not provided for consists of disputed demand in respect of provident fund dues of certain contractors' employees. The amount thereof is not ascertainable, at present.
3. The disclosures in respect of Defined Benefit Gratuity Plan ( to the extent of information made available by LIC ) are given below :

|       | Particulars  | 2008-2009<br>(Rs.) |
|-------|--|--------------------|
| (i)   | <b>Changes in Present Value of Obligations</b>                               |                    |
|       | <b>Present Value of Obligations as at 31.03.2008</b>                         | 1,108,726          |
|       | Interest cost  | 88,698             |
|       | Current service cost   | 112,992            |
|       | Benefits paid  | -                  |
|       | Actuarial Losses / ( Gains)  | 58,393             |
|       | <b>Present Value of Obligations as at 31.03.2009</b>                         | 1,368,809          |
| (ii)  | <b>Changes in Fair Value of Plan Assets</b>                                  |                    |
|       | Fair Value of Plan Assets as at 31.03.2008                                   | 1,144,905          |
|       | Expected Return on Plan Assets   | 114,300            |
|       | Contributions  | 249,974            |
|       | Benefits Paid  | -                  |
|       | Actuarial Gain /(Losses) on Plan Assets                                      | (11948)            |
|       | <b>Fair Value of Plan Assets as at 31.03.2009</b>                            | 1,497,231          |
| (iii) | <b>Amount to be recognized in the Balance Sheet</b>                          |                    |
|       | Present Value of Obligations as at 31.03.2009                                | 1,368,809          |
|       | Fair Value of Plan Assets as at 31.03.2009                                   | 1,497,231          |
|       | <b>Net Liability / ( Asset) recognised in the Balance Sheet</b>              | (128,422)          |
| (iv)  | <b>Expenses to be recognized in the statement of Profit and loss Account</b> |                    |
|       | Current Service Cost   | 112,992            |
|       | Interest Cost  | 88,698             |
|       | Expected Return on Plan Assets   | (114,300)          |
|       | Net Actuarial Losses / (Gains)   | 70,341             |
|       | <b>Expenses recognized in the statement of Profit and loss Account</b>       | 157,731            |
| (v)   | <b>Assumptions:</b>  |                    |
|       | Mortality  | LIC(1994-96) Ult   |
|       | Discount Rate  | 8%                 |
|       | Rate of increase in compensation   | 5%                 |
|       | Expected rate of Return on Assets  | 9%                 |
|       | Withdrawal rates   | 0.80%              |

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

4. Confirmation of Balances has not been obtained from Creditors and from other parties to whom advances and deposits have been given. The Balances are therefore as per Books of Account only.

5. 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.

6. Related Party disclosures:

1) Relationships:

(a) Related parties where significant influence exists (on the Company) :

- i) Bachhraj & Company Private Limited
- ii) Sikkim Janseva Pratisthan Private Limited

(b) Key Management personnel, their relatives and enterprises where transactions have taken place

- i) Mr. Niraj Bajaj
- ii) Mr.Sanjivnayan Bajaj
- iii) Mr. Shishir Bajaj ( up to 31<sup>st</sup> January, 2009)
- iv) Mrs. Minakshi Bajaj ( up to 31<sup>st</sup> January, 2009)
- v) Jamnalal Sons Private Limited
- vi) Mukand Limited
- vii) Bachhraj & Co.Private Limited
- viii) Baroda Industries Private Limited
- ix) Bajaj Auto Limited
- x) Bajaj Hindusthan Limited
- xi) Bajaj International Private Limited
- xii) Emerald Acres Private Limited
- xiii) Hercules Hoists Limited

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

2) Transactions carried out with related Parties refer in 1 above, in the ordinary course of business:

|                                    | Referred in<br>I(a) above       | Referred in<br>I(b) above |
|------------------------------------|---------------------------------|---------------------------|
| <b>Expenditure :</b>               |                                 |                           |
| <b>Board Room Compensation</b>     | <b>300,000</b>                  |                           |
| Bachhraj & Company Private Limited | (300,000)                       |                           |
| <b>Directors Sitting Fees</b>      |                                 |                           |
| Shri Shishir Bajaj                 |                                 | <b>3,000</b><br>(4,000)   |
| Smt.Minakshi Bajaj                 |                                 | <b>4,000</b><br>(3,000)   |
| Shri Niraj Bajaj                   |                                 | <b>2,000</b><br>(-)       |
| <b>Income :</b>                    |                                 |                           |
| <b>Services Provided</b>           |                                 |                           |
| Bachhraj & Company Private Limited | <b>1,846,340</b><br>(1,655,381) |                           |

|                                    |          |             |
|------------------------------------|----------|-------------|
| Bajaj Hindustan Limited            |          | 2,490,044   |
|                                    |          | (2,301,448) |
| Bajaj Auto Limited                 |          | 5,975,586   |
|                                    |          | (-)         |
| Others                             |          | 1,595,208   |
|                                    |          | (-)         |
| <b>Others Receipts:</b>            |          |             |
| <b>Reimbursement of Expenses</b>   |          |             |
| Bachhraj & Company Private Limited | 23,943   |             |
|                                    | (27,112) |             |
| Bajaj Hindustan Limited            |          | 170,303     |
|                                    |          | (178,567)   |
| Mukand Limited                     |          | 25,294      |
|                                    |          | (-)         |
| Others                             |          | (36,445)    |
|                                    |          | (-)         |
| <b>Outstandings :</b>              |          |             |
| <b>Receivable</b>                  |          |             |
| Bachhraj & Company Private Limited | 331,262  |             |
|                                    | (3,546)  |             |
| Mukand Limited                     |          | 581,127     |
|                                    |          | (-)         |
| Bajaj Auto Limited                 |          | 1,084,010   |
|                                    |          | (-)         |
| Bajaj Hindusthan Limited           |          | 456,571     |
|                                    |          | (318,212)   |
| Others                             |          | 189,305     |
|                                    |          | (-)         |
| <b>Payable ( Deposits)</b>         |          |             |
| Bachhraj & Company Private Limited |          | 507,242     |
|                                    |          | (595,514)   |
| Mukand Limited                     |          | 695,380     |
|                                    |          | (838,890)   |
| Bajaj Auto Limited                 |          | 1,374,900   |
|                                    |          | (-)         |
| Bajaj Hindusthan Limited           |          | 631,432     |
|                                    |          | (757,584)   |
| Others                             |          | 740,978     |
|                                    |          | (-)         |

Figures in brackets relate to previous year.

7. Deferred Tax:

|  | As at<br>31-3-2009<br><u>(Rs.)</u> | As at<br>31-3-2008<br><u>(Rs.)</u> | As at<br>31-3-2007<br><u>(Rs.)</u> |
|--|------------------------------------|------------------------------------|------------------------------------|
| (i) Deferred tax liability on account of:<br>Depreciation  | 1,444,130                          | 1,453,540                          | 1443,262                           |
| (ii) Deferred tax asset on account of<br>Employee benefits | <u>(191,541)</u>                   | <u>(175,125)</u>                   | <u>(152,847)</u>                   |
| Deferred Tax Liability (Net)                               | <u>1,252,589</u>                   | <u>1,278,415</u>                   | <u>1,290,415</u>                   |

| 8. Computation for Earnings Per Share :  | <u>2008-2009</u>        | <u>2007-2008</u> |
|--|-------------------------|------------------|
| Profit for the year after tax and excess provision for taxes in respect of earlier years after considering profit on Sale of Investments | <b>1,287,319</b>        | 6,231,615        |
| Profit on Sale of Investments (Net of Tax)   | -                       | 4,542,328        |
| Profit for the year excluding profit on Sale of Investments (Net of Tax)   | <u><b>1,287,319</b></u> | <u>1,689,287</u> |

9. (a) "Sundry Creditors" in Schedule '6' to Account include (i) Rs. Nil (31.03.2008 Rs. Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) ; and (ii) Rs. 2,258,055/- ( 31.03.2008 Rs.1,499,581/-) due to other creditors.
- (b) No interest is paid / payable during the year.
- (c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of the suppliers under the MSME.

10. Previous year's figures have been regrouped /recast wherever necessary.

As per our attached report of even date

For and on behalf of

**DALAL & SHAH**

Chartered Accountants

**Venkatesh Subramanian**

Partner

Mumbai : 30th June, 2009

**Niraj Bajaj**

Director

**Vinaya Mehrotra**

Director

Mumbai : 30th June, 2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

|  | Year Ended<br>31st March, 2009 |           | Year Ended<br>31st March, 2008 |            |
|--|--------------------------------|-----------|--------------------------------|------------|
|  | Rs.                            | Rs.       | Rs.                            | Rs.        |
| <b>A. Cash flow arising from Operating Activities</b>              |                                |           |                                |            |
| <b>Net Profit before Tax</b>                                       |                                | 1,738,493 |                                | 6,718,620  |
| <b>Add back :</b>  |                                |           |                                |            |
| a) Depreciation Charge   | 489,254                        |           | 492,107                        |            |
| b) Loss on sale of Current Investments                             | 4,288                          |           | —                              |            |
| c) Income Tax Refund Receivable written off                        | 89,445                         |           | —                              |            |
|  |                                | 582,987   |                                | 492,107    |
|  |                                | 2,321,480 |                                | 7,210,727  |
| <b>Deduct :</b>  |                                |           |                                |            |
| a) Dividend Income   | 574,549                        |           | 398,304                        |            |
| b) Interest Income   | 60,341                         |           | 76,782                         |            |
| c) Profit on sale of Long term Investments                         | —                              |           | 4,567,766                      |            |
| d) Profit on sale of Current Investments                           | —                              |           | 496,145                        |            |
|  |                                | 634,890   |                                | 5,538,997  |
| <b>Operating Cash Profit before Working capital changes</b>        |                                | 1,686,590 |                                | 1,671,730  |
| <b>Add : Increase in Trade Payables and provisions</b>             |                                | 50,242    |                                | —          |
| <b>Deduct :</b>  |                                |           |                                |            |
| a) Increase in Trade and Other Receivables                         | 1,397,580                      |           | 754,473                        |            |
| b) Decrease in Trade Payables and Provisions                       | —                              |           | 910,302                        |            |
|  |                                | 1,397,580 |                                | 1,664,775  |
| <b>Cash Inflow From Operations</b>                                 |                                | 339,252   |                                | 6,955      |
| <b>Deduct :</b>  |                                |           |                                |            |
| Direct Taxes paid  |                                | 640,232   |                                | 461,960    |
| <b>Net Cash (Outflow) in course of Operating Activities</b>        |                                | (300,980) |                                | (455,005)  |
| <b>B. Cash Flow arising from Investing Activities :</b>            |                                |           |                                |            |
| <b>Outflow :</b>   |                                |           |                                |            |
| a) Acquisition of Fixed Assets                                     | 6,061                          |           | 80,808                         |            |
| b) Acquisition of Current Investments (Net)                        | 252,235                        |           | 9,454,600                      |            |
|  |                                | 258,296   |                                | 9,535,408  |
| <b>Inflow :</b>  |                                |           |                                |            |
| a) Interest received   | 72,129                         |           | 64,993                         |            |
| b) Dividend received   | 574,549                        |           | 398,304                        |            |
| c) Sale of Long Term Investments                                   | —                              |           | 10,000,001                     |            |
|  |                                | 646,678   |                                | 10,463,298 |
| <b>Net Cash Inflow in course of Investing Activities</b>           |                                | 388,382   |                                | 927,890    |
| <b>C. Cash Flow arising from Financing Activities :</b>            |                                |           |                                |            |
| <b>Outflow :</b>   |                                |           |                                |            |
| a) Dividend Paid   |                                | (107,900) |                                | (109,340)  |
| b) Tax on Dividend Paid  |                                | (20,564)  |                                | (20,564)   |
| <b>Net Cash (Outflow) in course of Financing Activities</b>        |                                | (128,464) |                                | (129,904)  |
| <b>Net Increase /(Decrease) in Cash / Cash Equivalents (A+B+C)</b> |                                | (41,062)  |                                | 342,981    |
| <b>Add - Balance at the beginning of the year</b>                  |                                | 948,425   |                                | 605,444    |
| <b>Cash / Cash Equivalents at the close of the year</b>            |                                | 907,363   |                                | 948,425    |

As per our attached report of even date

For and on behalf of

**DALAL & SHAH**

Chartered Accountants

**Venkatesh Subramanian**

Partner

**Niraj Bajaj**

Director

**Vinaya Mehrotra**

Director

Mumbai : 30th June, 2009

Mumbai: 30th June, 2009



THE HINDUSTAN HOUSING COMPANY LIMITED

Balance Sheet Abstract and Company's General Business Profile

Registration Details

Registration No. 

|   |   |   |   |
|---|---|---|---|
| 2 | 3 | 4 | 6 |
|---|---|---|---|

 State Code 

|   |   |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet 

|   |   |
|---|---|
| 3 | 1 |
|---|---|

|   |   |
|---|---|
| 0 | 3 |
|---|---|

|   |   |   |   |
|---|---|---|---|
| 2 | 0 | 0 | 9 |
|---|---|---|---|

  
Date Month Year

Capital Raised during the year (Amount in Rs. Thousand)

|   |   |   |   |  |   |   |   |
|---|---|---|---|--|---|---|---|
| Public Issue<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table> | N | I | L | Right Issue<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table>       | N | I | L |
| N   | I | L |   |  |   |   |   |
| N   | I | L |   |  |   |   |   |
| Bonus Shares<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table> | N | I | L | Private Placement<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table> | N | I | L |
| N   | I | L |   |  |   |   |   |
| N   | I | L |   |  |   |   |   |

Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)

|  |   |   |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|---|---|---|
| Total Liabilities<br><table border="1" style="margin: 0 auto;"><tr><td>3</td><td>0</td><td>9</td><td>7</td><td>8</td></tr></table> | 3 | 0 | 9 | 7 | 8 | Total Assets<br><table border="1" style="margin: 0 auto;"><tr><td>3</td><td>0</td><td>9</td><td>7</td><td>8</td></tr></table> | 3 | 0 | 9 | 7 | 8 |
| 3  | 0 | 9 | 7 | 8 |   |   |   |   |   |   |   |
| 3  | 0 | 9 | 7 | 8 |   |   |   |   |   |   |   |

Source of Funds

|  |   |   |   |   |  |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|--|---|---|---|---|---|---|---|---|---|
| Paid-up Capital<br><table border="1" style="margin: 0 auto;"><tr><td>6</td><td>0</td><td>9</td></tr></table> | 6 | 0 | 9 | Reserves & Surplus<br><table border="1" style="margin: 0 auto;"><tr><td>1</td><td>9</td><td>7</td><td>8</td><td>5</td></tr></table> | 1  | 9 | 7 | 8 | 5 | Deferred Tax Liability<br><table border="1" style="margin: 0 auto;"><tr><td>1</td><td>2</td><td>5</td><td>3</td></tr></table> | 1 | 2 | 5 | 3 |
| 6  | 0 | 9 |   |   |  |   |   |   |   |   |   |   |   |   |
| 1  | 9 | 7 | 8 | 5   |  |   |   |   |   |   |   |   |   |   |
| 1  | 2 | 5 | 3 |   |  |   |   |   |   |   |   |   |   |   |
| Secured Loans<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table>   | N | I | L |   | Unsecured Loans<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table> | N | I | L |   |   |   |   |   |   |
| N  | I | L |   |   |  |   |   |   |   |   |   |   |   |   |
| N  | I | L |   |   |  |   |   |   |   |   |   |   |   |   |

Application of Funds

|   |   |   |   |   |  |   |  |   |   |   |
|---|---|---|---|---|--|---|--|---|---|---|
| Net Fixed Assets<br><table border="1" style="margin: 0 auto;"><tr><td>8</td><td>0</td><td>3</td><td>2</td></tr></table>                       | 8 | 0 | 3 | 2 | Investments<br><table border="1" style="margin: 0 auto;"><tr><td>1</td><td>5</td><td>2</td><td>4</td><td>6</td></tr></table> | 1 | 5  | 2 | 4 | 6 |
| 8   | 0 | 3 | 2 |   |  |   |  |   |   |   |
| 1   | 5 | 2 | 4 | 6 |  |   |  |   |   |   |
| Net Current Assets<br><table border="1" style="margin: 0 auto;"><tr><td>(</td><td>1</td><td>6</td><td>3</td><td>1</td><td>)</td></tr></table> | ( | 1 | 6 | 3 | 1  | ) | Misc. Expenditure<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table> | N | I | L |
| (   | 1 | 6 | 3 | 1 | )  |   |  |   |   |   |
| N   | I | L |   |   |  |   |  |   |   |   |
| Accumulated Losses<br><table border="1" style="margin: 0 auto;"><tr><td>N</td><td>I</td><td>L</td></tr></table>                               | N | I | L |   |  |   |  |   |   |   |
| N   | I | L |   |   |  |   |  |   |   |   |

Performance of Company (Amount in Rs. Thousands)

|   |   |   |   |   |   |  |   |   |   |   |   |
|---|---|---|---|---|---|--|---|---|---|---|---|
| Turnover<br><table border="1" style="margin: 0 auto;"><tr><td>1</td><td>4</td><td>6</td><td>7</td><td>8</td></tr></table> | 1 | 4 | 6   | 7 | 8   | Total Expenditure<br><table border="1" style="margin: 0 auto;"><tr><td>1</td><td>2</td><td>9</td><td>3</td><td>9</td></tr></table> | 1 | 2 | 9 | 3 | 9 |
| 1   | 4 | 6 | 7   | 8 |   |  |   |   |   |   |   |
| 1   | 2 | 9 | 3   | 9 |   |  |   |   |   |   |   |
| Profit Before Tax<br><table border="1" style="margin: 0 auto;"><tr><td>1</td><td>7</td><td>3</td><td>8</td></tr></table>  | 1 | 7 | 3   | 8 | Profit After tax<br><table border="1" style="margin: 0 auto;"><tr><td>1</td><td>2</td><td>8</td><td>7</td></tr></table> | 1  | 2 | 8 | 7 |   |   |
| 1   | 7 | 3 | 8   |   |   |  |   |   |   |   |   |
| 1   | 2 | 8 | 7   |   |   |  |   |   |   |   |   |
| Earning per Share (in Rs.)<br><table border="1" style="margin: 0 auto;"><tr><td>5</td><td>3</td></tr></table>             | 5 | 3 | Dividend<br><table border="1" style="margin: 0 auto;"><tr><td>0</td><td>0</td><td>%</td></tr></table> | 0 | 0   | %  |   |   |   |   |   |
| 5   | 3 |   |   |   |   |  |   |   |   |   |   |
| 0   | 0 | % |   |   |   |  |   |   |   |   |   |

Generic Names of Three Principal Products / Services of Company (As per monetary terms).

Item Code No. (ITC Code) 

|   |   |   |
|---|---|---|
| N | I | L |
|---|---|---|

Product Description 

|   |   |   |   |   |
|---|---|---|---|---|
| - | - | - | - | - |
|---|---|---|---|---|

**THE HINDUSTAN HOUSING COMPANY LIMITED**

Regd. Office : Bajaj Bhavan, 2nd floor, Jamnalal 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 Seventy Third Annual General Meeting held at Bajaj Bhavan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, at 3.00 p.m. on Thursday, 17th September 2009.

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

(Tear Here)

**THE HINDUSTAN HOUSING COMPANY LIMITED**

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

**Proxy**

I/We \_\_\_\_\_ of \_\_\_\_\_

being a member/members of **THE HINDUSTAN HOUSING CO. LTD.** hereby appoint

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the Seventy Third Annual General Meeting of the said Company to be held at 3.00 p.m. on Thursday, 17th September 2009 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

\_\_\_\_\_  
Signature of the Shareholder/s

Affix  
Re. 1/-  
Revenue  
Stamp

N. B. (i) This Form must be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

(ii) A PROXY NEED NOT BE A MEMBER OF THE COMPANY.