

We
can!



tough times don't last,
tough people **do.**



An axiom that best represents the temperament of people in situations that are beyond their control.

The ongoing economic slowdown represents one such crisis situation. A global meltdown of such proportions, it's possibly the worst the world has seen in decades. Fear of recession, depression and even precipitating bankruptcy affected developed economies of world.

For a while it was thought that India remained insulated from this global crisis.

Some sectors have been hit far more than others; the real estate industry being part of it!

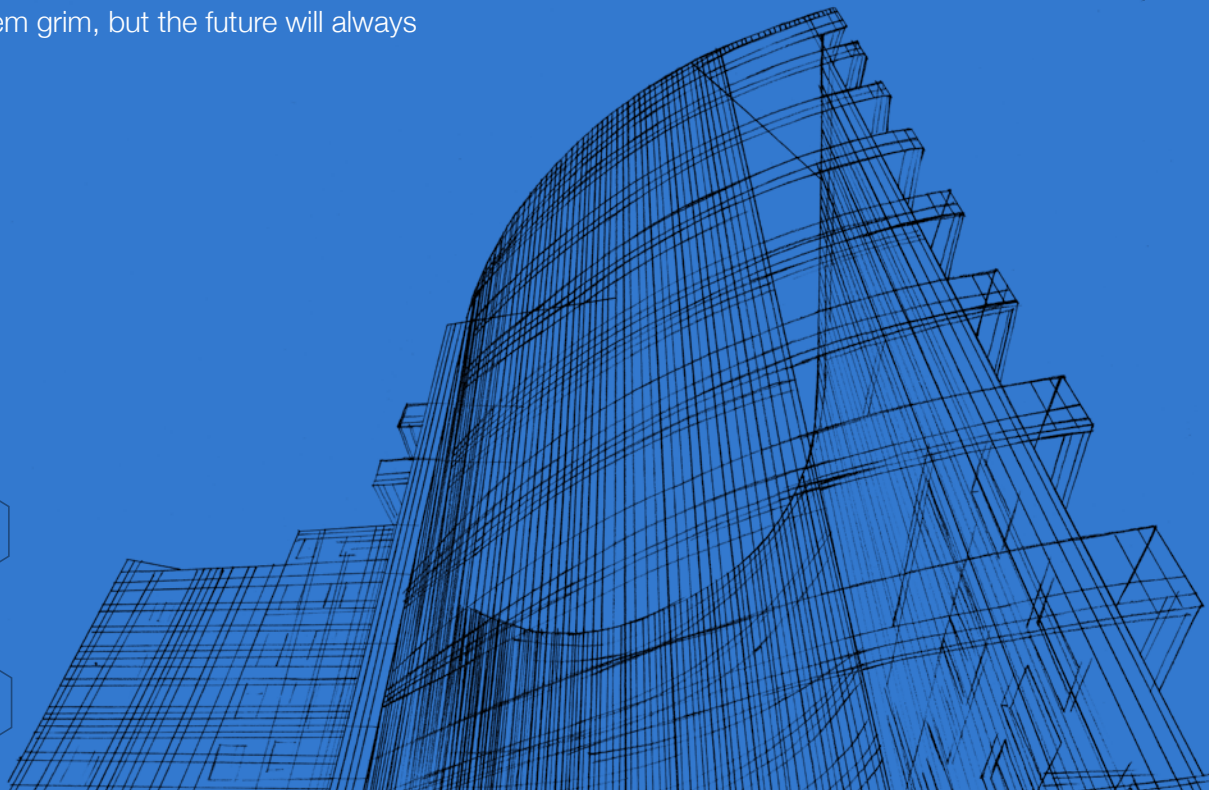
At **HDIL**, those virtues have been encapsulated in a **single, solid credo:**

**We
can!**

Whatever the situation, whatever the crisis, we will emerge stronger.

The present may seem grim, but the future will always remain promising.

We can. We will!



We
can!

drive growth

Given India's inherent strengths and economies of scale, the country will emerge as one of the stronger and leading economies with things getting better. The priorities, however, will have to be defined.

Real estate is an internally-led consumption sector. The rudimentary fact is that people will always first need homes to live in and better places to work and shop. A focus on real estate development will lay the foundations for a more stable India. One where the citizen feels sufficiently empowered.

As one of India's leading real estate developers, with a solid reputation for successful completion of residential, commercial and slum rehabilitation projects, HDIL has an important role to play in this empowerment.

Real estate development will be
fundamental to the revival of the
economy.



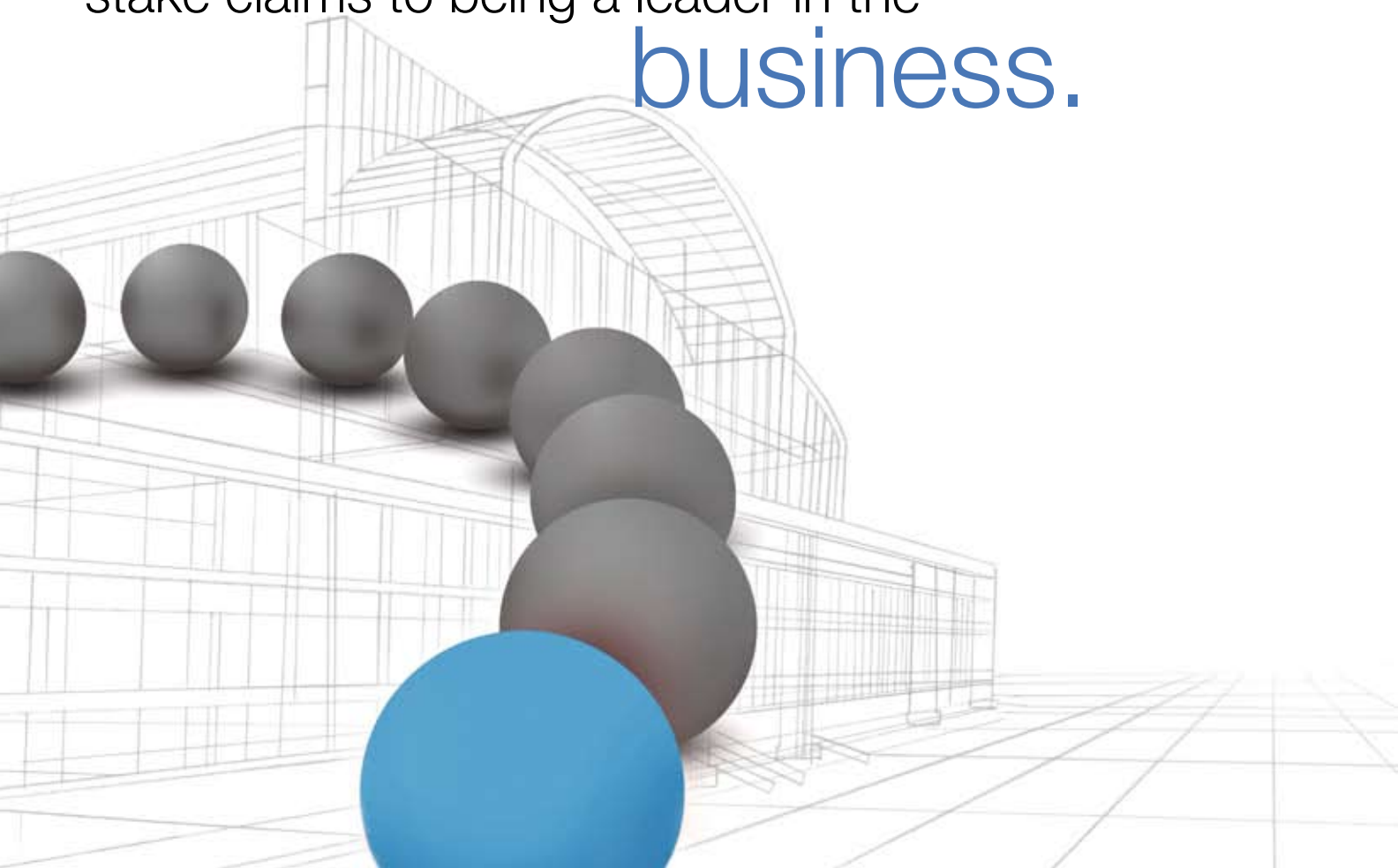
We can!

target greater things

If amidst the slump, green shoots are beginning to appear in Mumbai's real estate market, HDIL can claim credit for the revival. The launch of three projects – Premier Residency, Metropolis and Project Galaxy – has met with extremely heartening response. Impressed by HDIL's value propositions of quality construction, ergonomic layouts and realistic pricing, buyers have returned strongly. Giving the company's pursuit of leadership status a big boost.

In the past, HDIL was already named the fastest growing real estate company in India by Construction World-NICMAR. The current global slowdown remains, but company's focus on execution will remain. We will get there. Not because we must, but because we can!

In leading a real estate revival, we can
stake claims to being a leader in the
business.



We've revived Mumbai Real Estate Market



project: **premier residency**

915 flats

approximate **9.00 lacs sq. ft.**

date of launch: **06/03/09**



project: **metropolis**

414 flats

approximate **6.50 lacs sq. ft.**

date of launch: **20/03/09**



project: **galaxy**

480 flats

approximate **4.00 lacs sq. ft.**

date of launch: **10/04/09**

We can!

redefine cityscapes

The proof is in the numbers. The 32 projects we have completed in 13 years have helped redefine the landscape of Mumbai. 55% of the city's population currently lives in slums. As HDIL ramps up its rehabilitation efforts, slums will give way to more aesthetic looking houses, in effect drastically enhancing Mumbai's skyline.

HDIL is the largest slum rehabilitation company in the country. It's a title we are proud of, for the fact that what we do is for a better nation. As part of the Mumbai Airport Expansion and Modernisation plan, we started execution of Phase I of Mumbai Airport Slum Rehabilitation project – one of the largest urban renewal projects in the entire country. An assignment that will be critical in maintaining the status of Mumbai as India's economic hub.

Playing a part in
making Mumbai a world-class
economic hub.



at
present



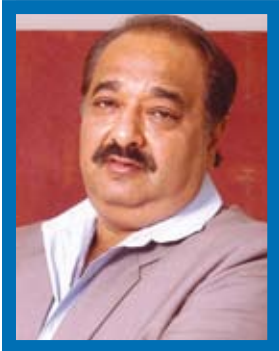
for the
future



Changing lives of Millions.

Mumbai's airport Slum Rehabilitation
Project in progress.

chairman's message



Dear Shareholder,

The year 2008-2009 was exceptionally challenging and historical year in the world economy, and will be remembered for the crisis that affected the global financial systems and engulfed most countries of the world. The deterioration in the global outlook that started in September 2008 and the knock on effects of the financial crisis, economic slowdown and commodity prices affected the Indian economy in several ways. The Government and Central Banks around the world responded to the crisis through both conventional and monetary measures.

The Central Government through Fiscal Stimulus packages and policy changes during this period mitigated the effects of the financial crisis to the Indian Economy, which grew by 6.7% in 2008-2009 against the growth of 9% in 2007-2008. The large domestic demand bolstered by Government consumption, adequate cuts in policy rates, sound banking sector and well functioning markets helped the Indian economy from the worst impact of the financial crisis. The pace of recession in advance economies has slowed and we are seeing green shoots of stabilization and recovery. The Real Estate and Housing Sector saw an increase in credit by 52% which helped companies survive the economic downturn.

The Central Government continues to work on effective changes in policies and providing stimulus packages to ensure revival of the Indian Economy.

In the backdrop of the falling global financial market and difficult scenario for Real Estate companies, your Company under trying circumstances was focused on

execution and demonstrated its capability by launching construction of one of the largest urban rehabilitation scheme in India i.e. MIAL Airport Slum Rehabilitation Project. I am glad to inform you that project is ahead of execution and has received good accolades from investor and financial community worldwide.

Your Company played a pioneer role in reviving Mumbai Real Estate market by launching three residential projects in the month of March & April 2009 at substantial discounts. All three residential projects i.e. Project Premier Residency, Project Metropolis & Project Galaxy received tremendous responses. Our concept of affordable housing paid us rich dividend and led many developers within Mumbai and India to follow our footsteps.

The Company plans to have a mix of residential and commercial launches during the current year. Our emphasis on low cost housing, had led us to projects like MMRDA Rental Housing Scheme in Virar. We are committed to make Mumbai Slum Free and provide affordable housing to various segments of society.

As part of our deleveraging strategy we have recently raised Rs.1688.40 Crores from a Qualified Institutional Placement to reduce the debt and fund the ongoing projects. Further we will keep exploring the various funds raising options for ongoing projects.

Real Estate is internally led consumption industry and going ahead with stable Government and consistent policies and focus on urban housing, your Company is well placed to march ahead with its growth plans.

In the end, I would like to reinforce the uniqueness of our business model and strategy will be to focus on execution, deleveraging the balance sheet and create wealth for shareholders. I would also like to extend our sincere thanks to all the financial institutions that have supported us during the tough times and look forward to the support of all my shareholders for many more years.

Yours sincerely,

Rakesh Kumar Wadhawan

Executive Chairman

corporate information



BOARD OF DIRECTORS

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

Waryam Singh

Director

Ashok Kumar Gupta

Director

Satya Pal Talwar

Independent Director

Lalit Mohan Mehta

Independent Director

Shyam Sunder Dawra

Independent Director

Surinder Kumar Soni

Independent Director

Sunil Behari Mathur

Independent Director

Ramesh Chander Kapoor

Independent Director

Raj Kumar Aggarwal

Independent Director

BOARD COMMITTEES

AUDIT COMMITTEE

Satya Pal Talwar

Ashok Kumar Gupta

Shyam Sunder Dawra

Raj Kumar Aggarwal

REMUNERATION COMMITTEE

Ashok Kumar Gupta

Satya Pal Talwar

INVESTOR GRIEVANCES & SHARE TRANSFER COMMITTEE

Sarang Wadhawan

Waryam Singh

Lalit Mohan Mehta

FINANCE COMMITTEE

Rakesh Kumar Wadhawan

Sarang Wadhawan

Waryam Singh

PROJECT COMMITTEE

Satya Pal Talwar

Sarang Wadhawan

Waryam Singh

COMPANY SECRETARY

Darshan D. Majmudar

AUDITORS

M/s. Thar & Co.

Chartered Accountants

203, Capri, Anant Kanekar Marg,

Station Road, Bandra (East)

Mumbai - 400 051.

BANKERS/FINANCIAL INSTITUTIONS

Axis Bank Limited

Bank of Baroda

Bank of India

Canara Bank

Central Bank of India

Corporation Bank

Dena Bank

HDFC Bank Limited

IDBI Bank Limited

Indian Bank

Indian Overseas Bank

Kotak Mahindra Bank Limited

Oriental Bank of Commerce

Punjab & Maha Co-op. Bank Limited

Punjab National Bank

Punjab & Sind Bank Limited

State Bank of India

Syndicate Bank

The Jammu & Kashmir Bank Limited

UCO Bank

Union Bank of India

United Bank of India

Vijaya Bank

Yes Bank Limited

REGISTERED OFFICE

9-01, Dheeraj Arma,
Anant Kanekar Marg,
Bandra (East), Mumbai - 400 051
Tel.: 022 - 2658 3500
Fax: 022 - 2658 3636
website: www.hdil.in

REGISTRAR & SHARE TRANSFER AGENT

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

Contents

Notice	10
Directors' Report	14
Management Discussion and Analysis Report	19
Corporate Governance Report 2008-09	21
Statement pursuant to Section 212.....	32
Auditor's Report on Financial Statements.....	33
Balance Sheet	36
Profit & Loss Account	37
Cash Flow Statement	38
Schedules forming part of Balance Sheet and Profit & Loss Account	39
Significant Accounting Policies and Notes on Accounts	45

CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Report on Financial Statements.....	59
Consolidated Balance Sheet.....	60
Consolidated Profit & Loss Account.....	61
Consolidated Cash Flow Statement	62
Schedules forming part of Consolidated Balance Sheet and Profit & Loss Account	63
Significant Accounting Policies and Notes on Consolidated Accounts.....	70
Attendance Slip and Proxy Form	

Notice

NOTICE is hereby given that the 13th Annual General Meeting of the members of Housing Development and Infrastructure Limited will be held on Friday, 4th day of September, 2009 at 10.00 a.m. at National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended on 31st March, 2009 and the Balance Sheet as at date together with the report of the Auditor's and Directors' thereon.
2. To appoint Director in place of Mr. Waryam Singh, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Ashok Kumar Gupta, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Surinder Kumar Soni, who retires by rotation at this meeting and being eligible offers himself for re-appointment.
5. To appoint M/s. Thar & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with it without modification(s), the following resolution as Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and the provisions of the Foreign Exchange Management Act, 2000, as amended (**“FEMA”**), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000 as amended, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended (the **“1993 Scheme”**), the Securities and Exchange Board of India (**“SEBI”**) rules, regulations and guidelines including the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended (the **“SEBI DIP Guidelines”**) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (**“GOI”**), the Reserve Bank of India (**“RBI”**), SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and

subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company, the Board of Directors (hereinafter referred to as the **“Board”**, which term shall include any committee thereof), be and is hereby authorised in its absolute discretion to issue and allot either in India or in the course of international offering(s) in one or more foreign markets, such number of American Depository Receipts (**“ADRs”**) or Global Depository Receipts (**“GDRs”**) represented by underlying equity shares of the Company or other securities convertible into equity shares of the Company, foreign currency convertible bonds (**“FCCBs”**), with or without a green shoe option equity shares of the Company and/or equity shares of the Company through depository receipt mechanism or directly to investors and/or any other financial instruments convertible into equity shares of the Company, including warrants, or otherwise, in registered or bearer form and/or any security convertible into such equity shares, securities, linked to the equity shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to equity shares of the Company upto an amount of USD 450 Million (United States Dollars Four Hundred and Fifty Million only) or its Indian Rupee equivalent (all of which are hereinafter collectively referred to as **“Securities”**) or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible person, including foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), foreign institutional investors registered with SEBI, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the **“Investors”**) through public issue(s) of prospectus, private placement(s), or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion (where such price shall not be less than the price determined in accordance with the applicable guidelines/regulations issued by SEBI or the Ministry of Finance or the RBI) including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT :

- (a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) the relevant date for the purpose of pricing of the Securities proposed to be issued in accordance with SEBI DIP Guidelines or the 1993 Scheme, shall be determined by the Board (which expression includes any Committee thereof constituted or to be constituted to exercise its powers) in compliance with applicable law, pursuant to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws, regulations and guidelines in relation to the proposed issue of the Securities, in accordance with the SEBI DIP Guidelines as amended from time to time or the proposed issue of other Securities in accordance with the 1993 Scheme as amended from time to time, as mentioned in the resolution above;
- (c) in the event that where Securities which are convertible into equity shares of the Company are issued under Chapter XIII-A of the SEBI DIP Guidelines or the 1993 Scheme, the relevant date for the purpose of pricing of the Securities, shall be in terms of the applicable provisions of the SEBI DIP Guidelines and, if any, of the Companies Act and other applicable laws, regulations and guidelines in relation to the proposed issue of Securities by way of a qualified institutions placement in accordance with the SEBI DIP Guidelines or in accordance with the 1993 Scheme, and which shall be subject to any amendments to the SEBI DIP Guidelines or the 1993 Scheme as mentioned above OR the date on which the holder of such Securities, which are convertible into or exchangeable with the equity shares, becomes entitled to apply for the equity shares against such Securities.

RESOLVED FURTHER THAT the issue to the holders of the Securities underlying the Securities shall be, *inter alia*, subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the equity shares, the number of equity shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro tanto*;
- (b) in the event of the Company making a rights offer by issue of equity shares prior to the allotment of the equity shares, the entitlement to the equity shares will stand increased in the same proportion as that of the rights offer and such additional equity shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, creation of mortgage/charge in accordance with Section 293(1)(a) of the Companies Act, 1956, in respect of any Securities as may be required either on *pari passu* basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint the Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such equity shares ranking *pari passu* with the existing equity shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT the Board be and is hereby authorized to form a committee or delegate all or any of its power to any committee of Directors to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- (a) Approving the offer document and filing the same with the any other authority or persons as may be required;
- (b) Approving the issue price, the number of equity shares to be allotted, the basis of allocation and allotment of equity shares;
- (c) To affix the Common Seal of the Company on any agreement(s)/documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and any one of the above Authorised Persons, who shall sign the same in token thereof;
- (d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- (e) Taking decision to open the issue, decide bid opening and closing date;
- (f) Opening such banks accounts and demat accounts as may be required for the transaction;
- (g) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- (h) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- (i) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
- (j) To authorize or delegate all or any of the powers herein above conferred to any or more persons, if need be."

By order of the Board of Directors

For **Housing Development and Infrastructure Limited**

Place: Mumbai
Date: 29th July, 2009

Darshan D. Majmudar
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business to be transacted at the meeting is annexed herewith.
4. The Company has already notified closure of Register of Members and Transfer Books from 4th September, 2009 to 4th September, 2009 for the Annual General Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Queries on accounts of the Company, if any, may be sent to the Company Secretary ten days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
7. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Depository Account Number for identification.
8. Members are requested to notify immediately about any change in their address/ mandate/ bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.
9. Under Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B in duplicate to the Company's R & T Agent at above address.
10. As a measure of economy, Members are requested to bring copy of Annual Report to the Meeting. Members/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.

Registered Office:

9-01, Dheeraj Arma,
Anant Kanekar Marg, Bandra (East),
Mumbai – 400 051

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS
PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

ITEM NO. 6

The Company either directly or through subsidiaries or through investee companies and on its own or in consortium is engaged in a number of projects under implementation or under consideration in the field of construction and infrastructure development such as special economic zones, real estate, etc. In order to enhance its net worth and to have greater financial strength to implement such large projects, the Company needs to augment long-term resources. For this purpose and for general corporate purposes as may be decided by the Board from time to time in the best interests of the Company, it is proposed to issue upto an amount of USD 450 Million (United States Dollars Four Hundred and Fifty Million only) or its Indian Rupee equivalent by way of further issue of shares/securities as may be decided by the Board of directors of the Company. The resolution also includes a proposal to issue other Securities including foreign currency convertible bonds which are convertible into equity shares, American Depository Receipts and Global Depository Receipts reflected by underlying equity shares of the Company or other securities convertible into equity shares of the Company in compliance with applicable law, at such price or prices, as may be deemed appropriate by the Board at its absolute discretion where such price shall not be less than the price determined in accordance with the applicable guidelines/regulations issued by SEBI or the Ministry of Finance or the RBI.

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in a company to persons other than the holders of the equity shares of a company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders in general meeting by a Special Resolution.

The proposed issue of Securities at Item No. 6 may be made in one or more tranches. The issue of Securities is to be completed within twelve months from the date of passing of this resolution.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution except to the extent of Securities that may be subscribed to by them or any companies/institutions of which they are directors or members.

The Board of Directors recommends the resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

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

Darshan D. Majmudar
Company Secretary

Place: Mumbai
Date: 29th July, 2009

Registered Office:

9-01, Dheeraj Arma, Anant Kanekar Marg,
Bandra (East), Mumbai – 400 051.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED
UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Waryam Singh, Mr. Ashok Kumar Gupta and Mr. Surinder Kumar Soni retire by rotation at the forthcoming Annual General Meeting. Mr. Waryam Singh, Mr. Ashok Kumar Gupta and Mr. Surinder Kumar Soni being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting. The brief resume, experience, functional expertise and the details of the membership on various Board and Committees of the directors retiring by rotation are as under :

Particular	Mr. Waryam Singh	Mr. Ashok Kumar Gupta	Mr. Surinder Kumar Soni
Date of Birth	15.12.1951	20.05.1950	03.12.1936
Nationality	Indian	Indian	Indian
Date of Appointment	27.04.2006	27.04.2006	15.01.2007
Qualification	B. Com.	LLB, CA	B.Sc, LLB, CAIIB
Area of Expertise	Over 26 years of experience in banking, finance, civil construction and land development.	Over 26 years of experience in framing Investment schemes, restructuring and other corporate law matters.	Over 40 years of experience in the banking and finance industry.
Shareholding in Co.	79,97,400 Equity Shares	10,05,800 Equity Shares	NIL
List of Directorship details (excluding Pvt. Ltd. Co.)	1. Housing Development and Infrastructure Limited	1. Housing Development and Infrastructure Limited	1. Housing Development and Infrastructure Limited 2. PNB Gilts
Chairman / members of committee of Board of Director of Companies	1. Housing Development and Infrastructure Limited Chairman – Investor Grievances & Share Transfer Committee Member – Finance Committee – Project Committee	1. Housing Development and Infrastructure Limited Member – Audit Committee Member – Remuneration Committee	1. PNB Gilts Member – Audit Committee

directors' report

To
The Members
Your Directors have pleasure in presenting the 13th Annual Report on the business and operations of the Company along with the audited accounts for the financial year ended 31st March, 2009.

Financial Highlights

Particulars	(Rs. in crores)	
	2008-09	2007-08
Gross sales and other receipts	1,814.57	2,432.32
Profit before interest, depreciation, amortization and taxation	1,397.40	1,742.49
Interest	578.19	138.49
Depreciation and Amortization	3.89	1.87
Operational profit before tax	815.32	1,602.13
Less: Provision for Tax	94.12	191.75
Profit after taxation	721.20	1,410.38
Balance brought forward	573.67	487.63
Less: Tax adjusted earlier year	(109.22)	(0.13)
Less: Transferred to General Reserve	573.67	487.63
Less: Debentures Redemption Reserve	225.00	712.50
Less: Dividend including dividend Tax	0	124.34
Profit carried to Balance Sheet	605.42	573.67
Net Worth	4,467.65	3,635.68

Performance Review

Real estate market witnessed turmoil during the year under review, the demand for property and its prices were strong in the first half of the year but in the wake of Global financial market collapse in the year 2008 demand remained subdued for the rest of the year. Your Company was also affected adversely; total revenue decreased from Rs. 2,432.32 crores in the previous year to Rs. 1,814.57 crores, and total expenditure was Rs. 999.25 crores as compared to previous year Rs. 830.19 crores. The Company's Profit before Tax (PBT) stands at Rs. 815.32 crores as compared to Rs.1,602.13 crores in the corresponding previous year.

Business Initiatives

During the year, your Company has launched three residential projects namely Premier Residences located at Kurla (West), Metropolis located at Versova, Andheri (West) and Galaxy Apartments located at Kurla (East). The Company received a tremendous response from all the three projects and has already commenced the initial stage of the development.

Chhatrapati Shivaji International Airport, Mumbai SRA Project By HDIL:

- A vital public and Infrastructure project declared by Govt. of Maharashtra for development and expansion of Mumbai

International Airport by clearing the slums at the airport land.

- Largest urban renewal and rehabilitation scheme in India.
- Rehabilitation of approx 80,000 families from slums at the airport land.
- Development of passenger and ancillary airport facilities.
- MMRDA is the Special Planning Authority for the project.
- **Completion and Rehabilitation of the 1st phase of 20,000 families within 6 months.**

During the year under review, Company also acquired about 53 acres of land in Kurla for Phase I of Mumbai Airport Slum Rehabilitation. Construction of Phase I of the airport slum rehabilitation project has already started in the 1st quarter of the financial year under review for about 5-6 million sq. ft. of rehabilitation area and 6 million sq. ft. of saleable area. Phase I of the Airport Slum Rehabilitation project will rehabilitate approximately 18000-20000 families, the construction time line for which will be 15-18 months.

Your Company has also entered into Joint Venture with MMRDA for Rental Housing Scheme which is mega infrastructure project of approximately 525 acres located at Virar.



Rental Housing

- The largest Rental Housing Scheme in Mumbai Metropolitan Region (MMR)
- 43,000 units of Rental Housing Scheme for MMRDA in 4 phases
- Unit size of approx. 160 sq. ft. carpet area
- Quality RCC construction with excellent amenities

Common Infrastructure

- Road Connectivity, Water Supply, Electricity, Sky-walk from Virar Station upto the site and other offsite Infrastructure to be developed through MMRDA
- An Eco-Friendly development which is self sufficient with all facilities like Schools, Hospitals, Police Station, Shops, Banks etc.

Dividend

With a view to conserve the resources your Directors do not recommend any payment of Dividend for the year 2008-09.

Subsidiaries

Your Company has the following subsidiaries:

Name of the Subsidiary	Shareholding
1. Privilege Power & Infrastructure Private Ltd.	100%
2. Blue Star Realtors Private Ltd.	100%
3. HDIL Entertainment Private Ltd.	100%
4. Ravijyot Finance and Leasing Private Ltd.	60%
5. HDIL Oil & Gas Private Ltd.	51%
6. HDIL Leisure Private Ltd.	100%
7. Excel Arcade Private Ltd.	100%
8. Mazda Estate Private Ltd.	100%

Particulars Under Section 212 of the Companies Act, 1956

The Audited Statement of Accounts and the Auditors' Report thereon for the year ended 31st March, 2009 along with the Reports of the Board of Directors of the subsidiary companies have not been annexed as per exemption received from the Central Government in this regard. However the financial data of the subsidiaries for the year ended 31st March, 2009 have been furnished separately and annexed to the Report. Copies of the audited accounts of the Company's subsidiaries can be sought by any member by making a written request to the Company in this regard. The Consolidated financial statements prepared pursuant to the applicable Accounting Standards and the Listing Agreement prescribed by SEBI includes the financial information of its subsidiaries.

Finance

During the year, the Company raised long-term loan from Banks and Financial Institutions for its various ongoing projects and short term funds from Banks to meet its working capital requirements. Company has restructured/rescheduled Rs. 2,170.00 crores of

loans and Debentures so as to match the outflows due within the next 2 years with inflows. Loans restructured are mainly from Nationalized Banks and new repayment period vary from 18 months to 5 years. The Company's debt has been rated by CARE with "A" rating.

Debentures

Your Company has issued both secured and unsecured Non-Convertible Redeemable Debentures aggregating to Rs.1,640.00 Crores to various financial institutions/banks on private placement basis for various projects of the Company. Debentures amounting to Rs.1,125.00 crores are listed at Bombay Stock Exchange Limited (BSE). During the year Debentures aggregating to Rs. 250.00 crores has been redeemed.

An amount of Rs. 225.00 crores has been transferred to Debenture Redemption Reserve.

Share Capital

At the 12th Annual General Meeting held on 21.07.2008, Company had proposed and declared a bonus issue in the ratio of 2:7. Accordingly the Company has issued 612,20,595 Bonus Shares of Rs.10/- each to those shareholders who were members as on 22.08.2008, the record date fixed for the same and subsequent to the issue of bonus shares, the paid up share capital of the Company has been increased from Rs. 2,14,27,20,810 to Rs. 2,75,49,26,760. Bonus fractions amounting to 57,727 shares were sold in the market and proceeds (Rs. 66,80,479/-) thereof were distributed to the shareholders as per their entitlement.

At the Extraordinary General Meeting held on 17.06.2009, members of the Company has approved the issue of further capital by way of allotment of Equity Shares to the Qualified Institutional Buyers and Issue of Convertible Warrants on preferential allotment basis to one of the Promoter i.e. Mr. Rakesh Kumar Wadhawan. Subsequent to the approval of members for raising of funds through QIP, Company has allotted 7,03,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 230/- per Equity Shares aggregating to Rs. 1688.40 crores on 06.07.2009. Subsequent to the issue of Equity Shares to Qualified Institutional Buyers the paid up Share Capital of the Company has been increased from Rs. 2,75,49,26,760 to Rs. 3,45,84,26,760/-.

Company has issued 2,60,00,000 Convertible Warrants of Rs. 10/- each at a premium of Rs. 230/- per Warrant to Mr. Rakesh Kumar Wadhawan, Promoter of the Company. Company has received the prescribed application amount as per SEBI guidelines from Mr. Rakesh Kumar Wadhawan.

The Equity Shares of your Company stand listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Transfer to Reserves

Your Directors have proposed to transfer Rs. 225.00 crores to Debenture Redemption Reserve and Rs. 573.67 crores to the General Reserves out of the balances available for appropriation, the balance of Profit & Loss Account would stand at Rs. 605.42 crores at the end of financial year, and the total reserves of the Company stood at Rs. 4,192.15 crores.

Inspection Under Section 209A of the Companies Act, 1956

Inspection under Section 209A of the Companies Act, 1956 was initiated by the Office of Regional Director, Western Region of Ministry of Corporate Affairs and as per the preliminary findings report few violations of provisions of the Companies Act, 1956 has been observed and the Company has already taken suitable steps for rectification and have applied for condonation/compounding before the appropriate authority.

Consolidated Financial Statements

In compliance with the Accounting Standard 21 and the Listing Agreement entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, this Annual Report includes the consolidated financial statements of Housing Development and Infrastructure Limited and its subsidiaries for the financial year 2008-09.

Cash Flow Statement

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the cash flow statement for the year ended 31st March, 2009 is annexed hereto.

Directors

Three of the Directors, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan and Mr. Joseph Pattathu have resigned from the Directorship of the Company with effect from 24.07.2009, 24.07.2009 and 05.05.2009 respectively due to their personal engagements. In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Waryam Singh, Mr. Ashok Kumar Gupta and Mr. Surinder Kumar Soni are retiring by rotation at the forthcoming Annual General Meeting and being eligible have offered for re-appointment at the ensuing Annual General Meeting themselves.

Brief resume of Directors proposed to be re-appointed, nature of their experience in their functional areas, name of the companies in which they hold directorship and membership/chairmanship of the Board Committees, as stipulated under Clause 49 of the Listing Agreement with the stock exchanges forms the part of Notice.

Fixed Deposits

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

Directors' Responsibility Statement

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2009, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c) they 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) they have prepared the annual accounts for the year ended 31st March, 2009 on a going concern basis.

Management Discussion and Analysis Report

Management Discussion and Analysis is given separately and forms part of this annual report.

Corporate Governance

Your Company firmly believes in and always practices good corporate governance. Your Company's objective is to create value in the market that can be sustained over the long-term for customers, shareholders, employees, business partners and society as a whole. It is believed by the Company that success of a corporate reflects the professionalism, conduct and ethical values of its managements and employees. The Company believes it can achieve this by being transparent in its business dealings by disclosures of all relevant information in an easily understandable manner.

The report of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of Annual Report. The Managing Director's declaration regarding compliance of Code of Business Conduct and Ethics for board members and senior management personnel forms part of Report on Corporate Governance.

The requisite certificate from the Auditors of the Company, M/s. Thar & Co., Chartered Accountants, Mumbai confirming the compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 of the Listing Agreement, is annexed to this report.

Listing Fees

The equity shares of the Company are listed at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange



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

Auditors

M/s. Thar & Co., Chartered Accountants, the Statutory Auditors of the Company, holds office up to the conclusion of the forthcoming Annual General Meeting and has given their consent for re-appointment and has confirmed that their appointment, if made, would be in conformity with the limits prescribed in Section 224 (1B) of the Companies Act, 1956. It is proposed to re-appoint them as auditors for the financial year 2009-10 and fix their remuneration.

Internal Control Systems and their adequacy

The management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit committee actively reviews internal audit reports and effectiveness of internal control systems.

Internal Control Systems are implemented to safeguard the Company's assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and implement accounting standards.

Investors' Relation and Grievances

Investors' relations have been cordial during the year. As a part of compliance, the Company has formed Shareholders' and Investors' Grievances Committee to deal with the issues relating to investors. There were no investors' grievances pending as on 31st March, 2009. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent.

Conservation of Energy, Research and Development, Technological Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 217(1) (e) read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure 'A' forming part of this report.

Information regarding Employees Relations/Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956, (the Act) read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time forms part of this report. However as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under Section 217(2A) of the Act. Any member interested in obtaining copy of the said statement may get in touch with the Secretarial Department at the Registered Office of the Company.

Relations between employees and the management continued to be cordial during the year. Your Company has strength of over 660 permanent employees, making up its most valuable asset.

Acknowledgement

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all level and wish to convey their appreciation to the Banks, Financial Institutions, Government Authorities, customers and other business associates for the excellent assistance and co-operation received and wish to place on record their gratitude to the members for their trust and support and confidence.

On behalf of the Board of Directors

Date : 29th July, 2009
Place : Mumbai

Rakesh Kumar Wadhawan
Executive Chairman

annexure to the directors' report

Annexure 'A'

Information as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forming part of Directors' Report for the year ending 31st March, 2009.

1. Conservation of energy:

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

2. Research and development:

The Company has undertaken Research and Development activity in Development of Technology in the area of construction. In today's competitive market where it is an obvious need to construct with optimum cost, reduced schedule while maintaining highest standard of quality, our Company is activity involved in R&D activities some of them are:-

- Substitution of diaphragm wall with sheet piling as shoring options.
- Study, Analysis and use of composite structure in place of conventional structure.
- Analysis and use of various shuttering pattern for economy and time reduction.
- Optimization of resources and their recycling for further use.
- Use of Environment friendly material and developing concept of Green Building.
- Analysis and study of trade off among various services for optimization.

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

3. Technological absorption:

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

4. Foreign exchange earnings and outgo

Year	(Rs. in crores)	
	2008-09	2007-08
Foreign exchange earnings	Nil	Nil
Foreign exchange outgo	1.79	14.73

management discussion and analysis report

Industry Structure and Developments

Real Estate Industry after undergoing through the robust cycle of growth in Indian economy till 2007-08, faced a harsh reality check in year 2008-09. Financial melt-down and global recession lead real estate companies across the world in a state of depression and liquidity crunch. Second half of 2008-09, lead to severe liquidity crises across various sectors of Indian economy leading to concepts like recession, slow down and stimulus for revival of economy.

Consumer sentiments being totally on negative side, many real estate companies curtailed their growth plan and strategy of PAN India emerged as a failure. Property prices across the cities corrected and many ongoing projects were stuck due to liquidity crises and lack of demand.

Sector witnessed a complete turn around in early March 2009 on the back of Government stimulus in form of easing liquidity and allowing real estate companies to restructure the debt. Interest rates eased down and euphoria of launches in the name of affordability revived the sector again. Strong underlying demand in residential segment across metro cities like Mumbai and Delhi gave sign of real estate revival. Focus on low and middle income housing gain prominence and many projects mix were changed from Commercial/Retail to Residential segment. Commercial & Retail Market is still undergoing through price correction, with slow off take in demand. With sign of economy improving at faster space, commercial real estate market revival is expected much faster.

However, the growth also depends on the policies adopted by the government to facilitate investments mainly in the economic and industrial sector. Starting from infrastructure development to residential complex, commercial real estate to retail space development Indian property market is growing with all kinds of activities. Indian government has placed Infrastructure development as a thrust area for all round growth of the economy.

Real estate industry consists of players engaged in diversified projects such as commercial building, residential townships, IT parks, hospitality, retail ventures etc. The Company is engaged in all spheres of the Industry including commercial constructions, hospitality projects, cyber city and infrastructure development.

Business Overview

HDIL is one of the premier real estate development companies in India and is actively pursuing on the development of real

estate and slum rehabilitation projects in Mumbai Metropolitan region. Along with the construction activities Company also has presence in entertainment verticals through multiplex business.

Entertainment

Under the brand name Broadway, we operate a three screen multiplex at Vasai having 1001 seating capacities and a four screen multiplex at Kandivali having seating capacity of 636 persons. The Vasai multiplex and the Kandivali multiplex commenced operations in February 2008 and June 2009, respectively.

Leisure & Hospitality

The growing economy and increasing commercial activity, coupled with the entry of several trans-national corporations have helped in the growth of the hospitality sector in India in the recent years. The demand for the sector continues to be dependant on business and leisure travellers within the country as well as number of overseas visitors coming to India. However, the economic downturn and the terror attacks in Mumbai in November, 2008 have adversely affected the inflow of foreign travellers in India. One of the most noticeable trends in the Indian realty sector has been the emergence of service apartments and the potential of this business segment is estimated to be nearly 20% of the total hospitality industry.

Human Resources, Industrial Relations

Industrial relations at all locations were cordial. The total number of persons employed in your Company as on 31st March, 2009 was 660.

Internal Control Systems and their Adequacy

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorised, recorded and reported correctly. The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for presenting financial information and other data and maintaining accountability of assets.

Information Security

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

Opportunities and Threats

The improvement in the global economic and liquidity situation coupled with more stable commodity prices, the stimulus packages by the Indian Government and various Governments globally provides an opportunity for growth for the infrastructure sector. At the same time, the real estate market has been affected by depressed prices during the year and there could be a spill-over effect.

Risks and Concerns

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

Macro economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect the businesses of your Company. Legislative changes resulting in changes in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the businesses.

Cautionary Statement

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down trend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.

corporate governance report 2008-09

Pursuant to Clause 49 of the Listing Agreement entered with Stock Exchanges for the year ended 31st March, 2009, we provide the information of shareholders and investors of the Company as under:

I. The Company's Philosophy on code of Corporate Governance

Your Company believes that Corporate Governance signifies ethical business behaviours in every sphere. For your Company, Corporate Governance is a broad framework, which defines the way your Company functions and interacts. It is an arrangement of mandatory practices and compliances of laws and regulations in each sphere of the operations of the Company. Your Company has a code of conduct for its Directors and senior management and is posted on the Company's website.

Your Company is also committed to do business in an efficient, ethical, responsible and in transparent manner within the limits of the applicable legal framework.

A good governance process thus should provide sufficient transparency over corporate policies, strategies and decision making process and building relationship with stakeholders and employees. Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement as on 31st March, 2009 and presents the Corporate Governance Report for the year 2008-09 as under:

II. Board of Directors

A] Composition and Category of Board

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors in compliance of the requirements of Clause 49 (I) (A) of the Listing Agreement. As of 31st March, 2009 the strength of the Board of Directors is 14, out of which 7 are Independent Directors. Composition of the Board and category of Directors are as follows. The Chairman is an Executive Director.

No.	Name of the Director	Category
1	Mr. Rakesh Kumar Wadhawan, Executive Chairman	Executive Director (Promoter)
2	Mr. Sarang Wadhawan, Managing Director	Executive Director (Promoter)
3	Mr. Kapil Wadhawan*	Non-Executive Non Independent (Promoter)
4	Mr. Dheeraj Wadhawan*	Non-Executive Non Independent (Promoter)
5	Mr. Waryam Singh	Non-Executive Non Independent
6	Mr. Ashok Kumar Gupta	Non-Executive Non Independent
7	Mr. Satya Pal Talwar	Non-Executive Independent
8	Mr. Lalit Mohan Mehta	Non-Executive Independent
9	Mr. Shyam Sunder Dawra	Non-Executive Independent
10	Mr. Surinder Kumar Soni	Non-Executive Independent
11	Mr. Sunil Behari Mathur	Non-Executive Independent
12	Mr. Ramesh Chander Kapoor	Non-Executive Independent
13	Mr. Raj Kumar Aggarwal	Non-Executive Independent
14	Mr. Joseph A. Pattathu *	Non-Executive Non Independent

* Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan and Mr. Joseph Pattathu have ceased to be the Directors of the Company with effect from 24.07.2009, 24.07.2009 and 05.05.2009 respectively.

Board Meetings

The Board normally meets once in a quarter and additionally as and when required. During the year 2008-09 the Board of HDIL met on four occasions i.e. on May 21, 2008, July 21, 2008, October 31, 2008 and January 28, 2009. The maximum gap between the two meetings was not more than 4 months as stipulated under the Listing Agreement entered with the Stock Exchanges.

The Agenda papers along with the supporting documents providing sufficient information were circulated in advance of the meetings.

Board of the Company is constituted as under:

(details as on 31.03.2009)

Name	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships excluding HDIL		
		Number of Board Meeting		Last AGM	Other Directorship	Committee Chairmanship	Committee Membership
		Held	Attended				
Mr. Rakesh Kumar Wadhawan	Executive Chairman	4	4	Yes	4	-	-
Mr. Sarang Wadhawan	Managing Director	4	4	Yes	4	-	-
Mr. Kapil Wadhawan	NI&NED*	4	2	Yes	5	-	1
Mr. Dheeraj Wadhawan	NI&NED*	4	-	No	2	-	-
Mr. Waryam Singh	NI&NED*	4	4	Yes	-	-	-
Mr. Ashok Kumar Gupta	NI&NED*	4	4	Yes	2	-	2
Mr. Joseph A. Pattathu	NI&NED*	4	4	Yes	1	-	-
Mr. Satya Pal Talwar	I&NED**	4	4	Yes	11	3	6
Mr. Lalit Mohan Mehta	I&NED**	4	3	Yes	-	-	-
Mr. Shyam Sunder Dawra	I&NED**	4	4	Yes	2	-	1
Mr. Surinder Kumar Soni	I&NED**	4	4	Yes	1	-	1
Mr. Sunil Behari Mathur	I&NED**	4	2	Yes	12	4	4
Mr. Ramesh Chander Kapoor	I&NED**	4	3	No	2	-	-
Mr. Raj Kumar Aggarwal	I&NED**	4	4	Yes	1	1	1

* Non Independent & Non-Executive Director

** Independent & Non-Executive Director

Note:

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committee and Shareholders/Investors Grievance Committees of all public limited companies have been considered.

As detailed in table above, no Director of the Company is a member of more than 10 committees or acts as Chairman of more than 5 committees across all the companies, in which they are director.

B] Non-Executive Directors' Compensation and disclosures

All fees/compensation paid to Non-Executive Directors, including independent directors are approved by the Board of Directors or its committee thereof and by the shareholders in the General meeting in any financial year.

The elements of the remuneration package of the Non-Executive Directors consist of annual commission in addition to sitting fees. The Non-Executive Directors are paid sitting fees of Rs. 20,000/- each for attending Board Meeting, Audit Committee Meeting and Shareholders and Investors Grievance Committee Meeting.

The Company is availing the professional expertise of the Non-Executive Directors through their participation in the Board Meetings. The Non-Executive Directors are paid collectively a commission not exceeding 1% of the net profit of the Company subject to a maximum amount of Rs.1,50,00,000/- (Rs. One Crore and Fifty Lacs only) on an annual basis. None of the Independent Director is holding any shares in the Company.

C] Code of Conduct

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

"I hereby confirm that:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of HDIL for the year ended March 31, 2009 and a copy of the Code of Conduct is put on the website of the Company viz. www.hdil.in

Sarang Wadhawan
 Managing Director

III. Audit Committee

Constitution of Audit Committee:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The role of the Audit Committee includes overview of the financial reporting processes and disclosures of financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment and removal of the external auditor, discussing with internal auditors any significant findings and follow up thereon, reviewing annual and quarterly financial statements with management before submission to the Board, reviewing the adequacy of internal control systems with management, external and internal auditors. Audit Committee comprises of Mr. Satya Pal Talwar, Chairman, Mr. Ashok Kumar Gupta, Member, Mr. Shyam Sunder Dawra, Member and Mr. Raj Kuamr Aggarwal, Member (joined w.e.f. 31.10.2008). All are Non-Executive Directors of the Company.

Meetings of Audit Committee

During the year, the Audit Committee met four times on May 21, 2008, July 21, 2008, October 31, 2008 and January 28, 2009. The attendance of each member of Audit Committee in the above meeting is given hereunder:-

Name	Designation	Audit Committee Meetings	
		Held	Attended
Mr. Satya Pal Talwar	Chairman	4	4
Mr. Ashok Kumar Gupta	Member	4	4
Mr. Shyam Sundar Dawra	Member	4	4
Mr. Raj Kumar Aggarwal *	Member	4	2

* Appointed in Audit Committee w.e.f. 31.10.2008

Powers of Audit Committee

The Board has delegated the following powers to the Audit Committee:-

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

Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditor and their remuneration.
3. Approval of payment to the statutory auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Directors' Responsibility Statement which forms part of the Directors' Report pursuant to sub-section 2AA of Section 217 of the Companies Act, 1956.
 - changes, if any, in the accounting policies and practices and reasons for the same.
 - major accounting entries involving estimates based on the exercise of judgment by the management.
 - significant adjustments made in the financial statements arising out of the findings of the audit.
 - compliance with the listing and other legal requirements relating to financial statements.
 - disclosure of any related party transactions.
 - qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, the reporting structure coverage and the frequency of internal audit.

8. Discussion with the internal auditors any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of the internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
11. To review monitoring agencies report with respect to utilization of IPO proceeds
12. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Subsidiary Monitoring Framework

The Company does not have any material non-listed Indian subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary Company. The Audit Committee also reviews the financial statements of the subsidiary Companies. The Board and Audit Committee also reviewed investments made by the Company's non-listed subsidiaries during the year under review.

Review of information by Audit Committee

The following information is reviewed by the Audit Committee on a mandatory basis:

1. Management discussion and analysis of the financial condition and results of operations;
2. Statement of significant related party transactions as defined by the Audit Committee, submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee; and
6. To review monitoring agencies report with respect to utilization of IPO proceeds

IV. Remuneration Committee

Members of the Committee

Mr. Satya Pal Talwar, and

Mr. Ashok Kumar Gupta.

The Remuneration Committee has been constituted to recommend/review the remuneration and increments of Executive Directors of the Company, based on their performance and defined assessment criteria. Mr. Kapil Wadhawan has resigned from the Committee w.e.f. 28.1.2009.

All are Non-Executive Directors.

Remuneration Policy

The remuneration package of the Executive Directors is determined by the Remuneration Committee within the permissible limits, as approved by the shareholders in the general meeting, and as per applicable provisions of the Companies Act, 1956. The remuneration comprises basic salary, allowances, perquisites and commissions as approved by the shareholders. The Remuneration Committee also decides and recommends annual increments.

The details of remuneration paid to the Directors are as follows:

(Amount in Rupees)

Director	Relation with HDIL	Remuneration paid during 2008-09			
		Sitting fees	Salary & perquisites	Commission***	Total
Mr. Rakesh Kumar Wadhawan	Executive Chairman	0	12,00,00,000	0	12,00,00,000
Mr. Sarang Wadhawan	Managing Director	0	6,00,00,000	0	6,00,00,000
Mr. Kapil Wadhawan	NI&NED*	80,000	0	12,50,000	13,30,000
Mr. Dheeraj Wadhawan	NI&NED*	0	0	12,50,000	12,50,000
Mr. Waryam Singh	NI&NED*	1,60,000	0	12,50,000	14,10,000
Mr. Ashok Kumar Gupta	NI&NED*	1,60,000	0	12,50,000	14,10,000
Mr. Joseph A. Pattathu	NI&NED*	80,000	0	12,50,000	13,30,000
Mr. Satya Pal Talwar	I&NED**	1,60,000	0	12,50,000	14,10,000
Mr. Lalit Mohan Mehta	I&NED**	1,20,000	0	12,50,000	13,70,000
Mr. Shyam Sunder Dawra	I&NED**	1,60,000	0	12,50,000	14,10,000
Mr. Surinder Kumar Soni	I&NED**	80,000	0	12,50,000	13,30,000
Mr. Sunil Behari Mathur	I&NED**	40,000	0	12,50,000	12,90,000
Mr. Ramesh Chander Kapoor	I&NED**	60,000	0	12,50,000	13,10,000
Mr. Raj Kumar Aggarwal	I&NED**	1,20,000	0	12,50,000	13,70,000

* Non Independent & Non-Executive Director

** Independent & Non-Executive Director

*** Commission is provided for and not paid. It will be paid after Accounts are adopted at Annual General Meeting

V. Investor Grievances and Share Transfer Committee

The Investor Grievances and Share Transfer Committee of the Board looks into the redressal of the Investors complaint like non receipt of Annual Report, dividend Payments etc. and matters related to change or deletion of name, issue of duplicate share certificates, dematerialization, rematerialization, transfer, transmission, and other allied transactions. The committee oversees the performance of the Registrars and Share Transfer Agents i.e. Karvy

Computershare Private Limited and also monitors the implementation of the Company's Code of Conduct for prohibition of insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

During the year, Investor Grievances and Share Transfer Committee met Four times on May 21, 2008, July 21, 2008, October 31, 2008 and January 28, 2009. The attendance of each Investor Grievances and Share Transfer Committee member in the above meeting is given hereunder:-

Name	Designation	Investor Grievances & Share Transfer Committee Meetings	
		Held	Attended
Mr. Waryam Singh	Chairman	4	4
Mr. Sarang Wadhawan	Member	4	4
Mr. Lalit Mohan Mehta	Member	4	3
Mr. Kapil Wadhawan *	Member	4	2

*Mr. Kapil Wadhawan has ceased to be a member of the Committee w.e.f. 28.01.2009

The total number of complaints and requests received and resolved to the satisfaction of the investors during the year under review is as under:

No. of complaints received	:	168
No. of complaints resolved	:	168
No. of complaints pending	:	Nil

Insider Trading Code

This code is applicable to all Directors and designated employees and seeks to prevent dealing in Company's shares by persons having access to unpublished, price

sensitive information. The Company regularly monitors the transactions, in terms of the said Code, undertaken by the designated employees of the Company. The Company also informs the stock exchange(s) periodically about the transaction(s) undertaken by the Directors and designated employees and their share holdings as per the regulations.

VI. General Body Meetings

The location, time and date where the last three Annual General Meetings of the Company were held are given hereunder:-

Year	Location	Type of meeting	Date	Time
2008-09	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	EGM	17.06.2009	10.00 a.m.
2007-08	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020	AGM	21.07.2008	11.30 a.m.
2006-07	9-01, Dheeraj Arma, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051	AGM	26.06.2007	03.00 p.m.

The details of Special Resolutions passed in the last three General Meetings:

Date	Type of Meeting	Brief particulars of the Resolution
17.06.2009	EGM	1. To Consider the issue of further capital by the Company 2. To issue Warrants to Promoter of the Company on a preferential basis
21.07.2008	AGM	1. Alteration in Articles of Association 2. Payment of Remuneration to Non-Executive Directors.
27.01.2007	EGM	1. Further Issue of Capital 2. Adoption of new set of Articles of Association 3. Borrowing Powers of the Board 4. Power of Board to deal with the undertaking of the Company

Resolutions Passed through Postal Ballot:

During the year, the three special resolutions contained in the Postal Ballot Notice dated May 21, 2008, were passed by the shareholders of the Company through Postal Ballot. The results of the postal ballot were declared on July 1, 2008. Details of the voting pattern were as under:

Description of Resolution	Type of Resolution	Total no. of valid shares voted	Votes Cast	
			For	Against
Alteration of Memorandum of Association	Special Resolution	170709051	170708461	590
Increase in FII Limit	Special Resolution	170706370	170704553	1817
Increase in borrowing powers	Special Resolution	170706383	169343127	1363256

Accordingly the said resolutions were approved by the shareholders, with requisite and overwhelming majority of 99.72%.

VII. Disclosures

Materially significant related party transactions

None of the transactions that transpired between the Company and its promoters, directors, management or

their relatives were in a potential conflict with the interest of the Company. The details of transactions with the related parties are tabled before the audit committee on a quarterly basis. The register of contracts containing the transactions in which the directors are interested was placed regularly before the Board. There were no pecuniary transactions directly with the Independent/Non-Executive Directors, other than the payment of remuneration.

Status of regulatory compliances

The Company has complied with all the requirements of the Listing Agreements as well as the regulations and guidelines of SEBI and other statutory authorities. Consequently, there are no strictures or penalties imposed on any matter relating to capital markets during the last three years.

Management Discussion and Analysis Report

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Clause 49[IV] [F] of the Listing Agreement. The said report is appearing elsewhere in the Annual Report.

VIII. Means of Communication:

The Quarterly, Half Yearly and Annual results are regularly

submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in English newspaper "Economic Times", "Free Press" and "Nav Shakti", a vernacular newspaper. The official news releases and corporate presentations made to the institutional investors/analysts are also posted on the Company's website.

The Annual Report, quarterly results, shareholding pattern of the Company were also posted in the SEBI's Corporate Filing and Dissemination System (CFDS). Hard copies of the said disclosures and correspondence are also filed with the Stock Exchange(s). The audited financial results for the financial year ended March 31, 2009 will be uploaded on the Company's website viz. www.hdil.in within the prescribed time limit.

IX. General Shareholders Information:

AGM Date, time and Venue	
Financial year	April 01 – March 31
Book Closure	
Listing on Stock Exchange	Bombay Stock Exchange Limited and National Stock Exchange of India Limited Listing fees for the year 2009-10 have been paid.
Stock code at BSE	532873
Stock symbol at NSE	HDIL
ISIN of the Company	INE191I01012
Corporate Identification No. (CIN)	L70100MH1996PLC101379

Unclaimed dividends:

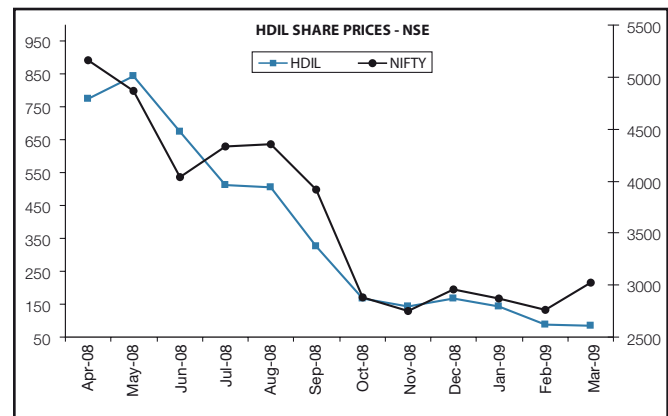
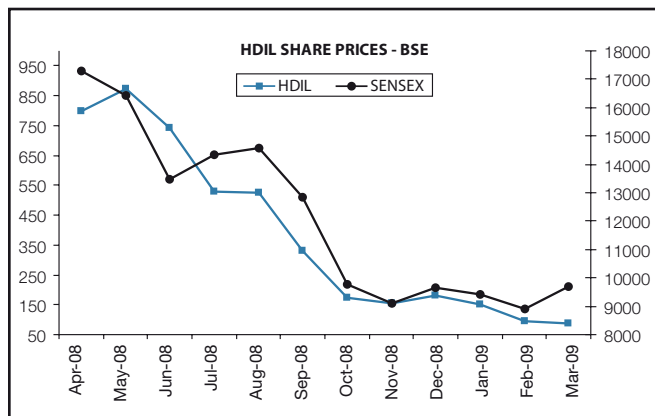
Pursuant to the provisions of the Companies Act, 1956, dividends lying unclaimed for a period of 7 years from the date of their transfer to unpaid/unclaimed dividend account have to be transferred to the Investor Education and Protection Fund (IEPF) constituted and administered by the Central Government.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

Year	Dividend	Date of declaration	Last date of transfer to the Investor Education & Protection Fund
2007-2008	Interim	July 30, 2007	4th September, 2014
2007-2008	Final	July 21, 2008	26th August, 2015

Market Price Data:

Month	Stock Exchange					
	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (Rs.)	Low (Rs.)	Close	High (Rs.)	Low (Rs.)	Close
April 2008	798.80	576.25	17,287.31	774.74	618.25	5,165.90
May 2008	873.00	688.00	16,415.57	845.45	721.35	4,870.10
June 2008	742.00	380.55	13,461.60	675.75	382.05	4,040.55
July 2008	529.70	326.50	14,355.75	514.40	338.60	4,332.95
August 2008	523.30	274.00	14,564.53	507.70	276.35	4,360.00
September 2008	331.00	151.00	12,860.43	325.50	165.80	3,921.20
October 2008	175.25	90.20	9,788.06	167.40	92.20	2,885.60
November 2008	154.80	72.25	9,092.72	144.70	76.60	2,755.10
December 2008	179.75	69.00	9,647.31	167.40	73.85	2,959.15
January 2009	149.60	85.40	9,424.24	143.15	89.90	2,874.80
February 2009	94.00	72.50	8,891.61	87.75	73.35	2,763.65
March 2009	88.80	62.50	9,708.50	84.40	63.45	3,020.95

Market price data (source: www.bseindia.com, www.nseindia.com)

**Registrar & Share Transfer Agent:**

M/s. Karvy Computershare Private Limited

Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081

Tel: 040 - 2343 1553 / 1547

Website: www.karvy.com

Share transfer system

The Registrar and Share Transfer Agent register the share transfers in physical form within 15 days from the receipt of the completed documents. Invalid share transfers are returned within 15 days of receipt. All requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The Company also offers transfer cum demat facility.

Distribution schedule as on 31st March, 2009

Equity shares held	Shareholders	Percent of shareholders	Shares	Percent of shareholding
1 - 5000	1,96,354	95.58%	1,59,58,295	5.79%
5001 - 10000	5,204	2.53%	38,80,373	1.41%
10001 - 20000	2,007	0.98%	29,10,729	1.05%
20001 - 30000	580	0.28%	14,58,214	0.53%
30001 - 40000	281	0.14%	9,83,410	0.36%
40001 - 50000	177	0.08%	8,22,287	0.30%
50001 - 100000	323	0.16%	22,88,133	0.83%
100001 and above	512	0.25%	24,71,91,235	89.73%
Total	2,05,438	100%	27,54,92,676	100%

Shareholding pattern as on 31st March, 2009:

Category		Number of shares	% of Holding
A	Promoter's Holding		
1	Indian Promoter	16,94,19,718	61.50
2	Foreign Promoter	-	-
	Sub Total (A)	16,94,19,718	61.50
B	Non-Promoter's Holding		
	Institutional Investors		
1	Mutual funds/UTI	11,29,850	0.41
2	Financial Institutions/Banks	4,50,728	0.16
3	Insurance Companies	1,47,857	0.05
4	Foreign Institutional Investors	1,17,25,429	4.26
	Non Institutional Investors		
1	Bodies Corporate	5,87,15,945	21.31
2	Individuals	2,93,75,442	10.67
3	Non-resident Indians	8,95,314	0.32
4	Overseas Corporate Bodies	13	-
5	Trusts	2,268	-
6	Foreign Nationals	-	-
7	Clearing Members	25,36,692	0.92
8	Director's and their Relatives	10,93,420	0.40
	Sub Total (B)	10,60,72,958	38.50
	Grand Total (A+B)	27,54,92,676	100.00

Dematerialization of shares and liquidity

As at 31st March, 2009, 99.46% of shareholding was held in dematerialized form with NSDL and CDSL, while 0.54% was held in physical form.

Outstanding GDRs/ ADRs/ Warrants

There are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments, as on 31st March, 2009, likely to have an impact on the Equity Share Capital of the Company.

Address for correspondence:

Housing Development and Infrastructure Limited
9-01, Dheeraj Arma, Anant Kanekar Marg,
Bandra (East), Mumbai – 400 051
Maharashtra

On behalf of the Board of Directors

auditors' certificate on corporate governance

To the members of Housing Development and Infrastructure Limited

We have examined the compliance of conditions of corporate governance by the Housing Development and Infrastructure Limited for the year ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges of India.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement.

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

For **THAR & CO.**
Chartered Accountants

Date : May 23, 2009
Place : Mumbai

Jayesh R. Thar
(Proprietor)
Membership No. 32917

ceo/cfo certificate under clause 49 of the listing agreement

I, Sarang Wadhawan, Managing Director and K. P. Devassy, Chief Financial Officer of Housing Development and Infrastructure Limited hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

.....
Sarang Wadhawan
 Managing Director

.....
K. P. Devassy
 Chief Financial Officer

Date : May 23, 2009

Place: Mumbai

statement relating to subsidiary company pursuant to section 212 of the companies act, 1956

1. Name of the Subsidiary	Privilege Power and Infrastructure Pvt. Ltd.	HDIL Entertainment Pvt. Ltd.	HDIL Leisure Pvt. Ltd.	HDIL Oil & Gas Pvt. Ltd.	Ravijot Finance and Leasing Pvt. Ltd.	Blue Star Realtors Pvt. Ltd.	Mazda Estate Pvt. Ltd.	Excel Arcade Pvt. Ltd.
2. Date of Incorporation	04/09/1984	09/08/2007	04/04/2008	08/03/2008	20/03/1995	26/03/1990	27/06/2002	28/03/2007
3. Financial year of the subsidiary company ended on	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009
4. Holding Company	HDIL	HDIL	HDIL	HDIL	HDIL	HDIL	HDIL	HDIL
5. Extent of Holding company's interest	100%	100%	100%	51%	60%	100%	100%	100%
6. Face value per equity shares	100/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-
7. No. of Equity Shares held by the holding company and / or its subsidiaries	207,520	10,000	10,000	5,100	6,000	3,400,000	14,000	10,000
8. Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is dealt with in account of holding company								
1) For financial year ended on 31st March, 2009 (Amt. in Rs.)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2) For the previous financial year of the subsidiary since it became a subsidiary company (Amount in Rs.)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
9. Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in account of holding company								
1) For financial year ended on 31st March, 2009 (Amount in Rs.)	4,236,427	(17,939,713)	10,171,053	(5,663,730)	(12,399)	1,132,663	(31,287)	(38,771)
2) For the previous financial year of the subsidiary since it became a subsidiary company (Amount in Rs.)	394,084	(2,958,387)	Not Applicable	(2,946)	0.00	(3,654)	Not Applicable	Not Applicable

auditors' report

To the members of HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

- 1 We have audited the attached Balance Sheet of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED**, as at 31st March, 2009 together with Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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.
- 2 We conducted our audit in accordance with 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 of material misstatements. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4 Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, the Company has kept proper books of account as required by law, so far as appears from our examination of those books;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - (e) on the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956; and
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2009,
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date,
 and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **THAR & CO.**
Chartered Accountants

Jayesh R. Thar
(Proprietor)
Membership No. 032917

Place: Mumbai
Date: 23rd May, 2009

annexure to the auditors' report

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2009 of Housing Development and Infrastructure Limited.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to the book records.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. (a) As explained to us, the physical verification of the inventory has been conducted by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed during physical verification of inventories as compared to book records were not material having regard to the size of the operations of the Company and have been dealt with in the books of account.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:-
 - (a) The Company has given loan to eight companies. In respect of the said loan, the maximum amount outstanding at any time during the year is Rs.55,915.95 lacs and the year end balance is Rs. 55,915.95 lacs.
 - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of the loan given by the Company, the same is repayable on demand and therefore the question of overdue amount does not arise.
 - (d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and for the development of real estate and with regard to the sale of units in real estate. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
5. (a) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements that need to be entered in to the register maintained under Section 301 of the Companies Act, 1956, for the year have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in the pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and 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 prevailing market prices.
6. As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. According to the information and explanations given to us by the management, the Company has an adequate internal audit system commensurate with the size and nature of the business of the Company.
8. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.

annexure to the auditors' report

9. (a) According to the information and explanations given to us by the management and on the basis of our examination of books of account of the Company, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and any other statutory dues applicable to it with appropriate authorities. There were no dues on account of cess under Section 441A of the Companies Act, 1956, since the Central Government has not notified the date of the commencement of the section.
- (b) According to the information and explanations given to us by the management there are no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Service tax, Customs duty and Excise duty and other material statutory dues which were outstanding as at 31st March, 2009 for the period of six months from the date they became payable.
- (c) According to the information and explanations given to us by the management there are no dues of Income tax, Wealth tax, Sales tax, Service tax, Customs duty and Excise duty, which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. As per the information and explanations given to us by the management, the Company has not defaulted in repayment of dues to banks or financial institutions or debenture holders as at the balance sheet date.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. It has only invested in shares of subsidiaries, other body corporates and units of mutual funds for which proper records have been maintained and timely entries have been made therein. The said investment are held in company's own name except as permissible under section 49 of the Companies Act, 1956.
15. As per the information and explanations given to us, the Company has not given any guarantee for loans taken from financial institutions and/or banks by others.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the intended use.
17. In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet and the Cash Flow of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us and the records examined by us, the Company has created/or in the process of creation of security or charges in respect of the debentures issued.
20. The Company has not raised any monies by way of public issues during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

For **THAR & CO.**
Chartered Accountants

Jayesh R. Thar
(Proprietor)
Membership No. 032917

Place: Mumbai
Date: 23rd May, 2009

balance sheet as on

	Schedules	31-Mar-2009 (Rs. in lacs)		31-Mar-2008 (Rs. in lacs)	
SOURCES OF FUNDS					
Shareholders' funds					
Share capital	A	27,549.27		21,427.21	
Reserves and surplus	B	419,215.28	446,764.55	342,294.99	363,722.20
Loan funds					
Secured loans	C	409,331.97		194,607.66	
Unsecured loans		5,000.00	414,331.97	116,666.67	311,274.33
Deferred tax liability	D		240.16		151.21
	Total		861,336.68		675,147.74
APPLICATION OF FUNDS					
Fixed assets					
Gross block	E	6,292.86		5,530.57	
Less: Accumulated depreciation		489.38		261.24	
Net block		5,803.48		5,269.33	
Capital work-in-progress		1,471.61	7,275.09	522.46	5,791.79
Investments					
	F		30,291.93		21,255.50
Current assets, loans and advances					
Inventories	G	644,169.59		510,284.83	
Sundry debtors	H	16,539.74		5,583.14	
Cash and bank balances	I	7,516.53		34,940.07	
Loans and advances	J	218,501.37		163,425.39	
		886,727.23		714,233.43	
Less: Current liabilities and provisions					
Current liabilities	K	61,148.09		49,172.10	
Provisions	L	1,809.48		17,114.39	
		62,957.57		66,286.49	
Net current assets			823,769.66		647,946.94
Miscellaneous expenditure (to the extent not written off or adjusted)					
	M		-		153.51
	Total		861,336.68		675,147.74
Notes to accounts	V		-		-

As per our report of even date attached

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

K. P. Devassy

Chief Financial Officer

Darshan Majmudar

Company Secretary

Place: Mumbai

Date: 23rd May, 2009

profit and loss account for the year ended

	Schedules	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
INCOME			
Turnover	N	171,929.04	237,986.89
Other income	O	9,528.40	5,245.66
		181,457.44	243,232.55
EXPENDITURE			
(Increase)/Decrease in stock in trade	P	(13,731.10)	(1,255.42)
(Increase)/Decrease in work-in-progress	Q	(120,153.67)	(393,778.46)
Transfer to Investment/Fixed assets		(618.70)	(1,799.97)
Cost of construction, Land and development expenses	R	165,371.65	460,355.10
Project specific interest	U	52,021.39	13,414.94
Employees' remuneration and welfare expenses	S	1,988.83	1,158.57
Administrative expenses	T	8,860.14	4,303.87
Interest	U	5,797.11	433.69
Depreciation		235.62	135.52
Preliminary and other expenses written off		153.51	51.17
		99,924.78	83,019.01
Operating Profit before Tax		81,532.66	160,213.54
Less: Provision for tax		9,189.65	19,050.00
Less: Provision for Fringe benefit tax		129.96	44.88
Less: Provision for Wealth tax		3.34	1.43
Less: Deferred tax liability		88.94	78.28
Operating Profit after Tax		72,120.77	141,038.95
Balance brought forward from previous year		57,367.07	48,763.20
Add: Deferred tax asset (F.Y. 06-07)		-	9.84
Add: MAT credit entitlement		3,366.04	-
Add: Excess Provision for taxation no longer required		7,555.54	2.70
Profit available for appropriation		140,409.42	189,814.69
Appropriations:			
Less: Transferred to General Reserve		57,367.07	48,763.20
Less: Transferred to Debenture Redemption Reserve		22,500.00	71,250.00
Less: Interim Dividend on Equity shares		-	4,200.00
Less: Proposed Dividend on Equity shares		-	6,428.16
Less: Dividend distribution tax		-	1,806.26
Profit Carried to Balance Sheet		60,542.35	57,367.07
Earnings per share - Basic and diluted (Amount in Rs.)			
Equity shares of par value Rs. 10/- each			
Weighted average number of equity shares		275,492,676	262,057,932
Notes to accounts	V		

As per our report of even date attached

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

K. P. Devassy

Chief Financial Officer

Darshan Majmudar

Company Secretary

Place: Mumbai

Date: 23rd May, 2009

cash flow statement for the year ended on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
A. Cash flow from operating activities		
Net profit before tax	81,532.66	160,213.54
Adjustments for :		
(1) Depreciation	235.62	135.52
(2) Expenses of increasing authorised share capital written off	153.51	51.17
(3) Interest expenses	5,797.11	433.69
(4) Profit on sale of units of mutual funds	(17.70)	(1,116.91)
(5) Interest received	(5,693.19)	(2,657.49)
(6) Dividend received	(3.38)	(1.33)
(7) Loss on sale of asset	3.16	1.09
Operating profit before working capital changes	82,007.79	157,059.28
Movements in working capital :		
Decrease/(Increase) in inventory	(133,884.77)	(395,033.88)
Decrease/(Increase) in sundry debtors	(10,956.60)	25,445.45
Decrease/(Increase) in other receivables	(55,075.98)	(141,913.15)
(Decrease)/Increase in trade and other payables	12,064.32	(22,887.85)
Net movement in working capital	(187,853.03)	(534,389.43)
Cash generated from operations	(105,845.24)	(377,330.15)
Less: Direct taxes paid (net of refunds)	6,281.40	16,081.53
Net cash from operating activities	(112,126.64)	(393,411.68)
B. Cash flows from investing activities		
(1) (Increase)/Decrease in capital WIP	(949.15)	(487.89)
(2) (Increase)/Decrease in investments (net)	(9,036.43)	(4,751.72)
(3) Interest on fixed deposits	5,693.19	2,657.49
(4) Dividend received	3.38	1.33
(5) Purchase of fixed assets	(775.38)	(3,047.44)
(6) Profit on sale of Mutual Fund	17.70	1116.91
(7) Sale of fixed assets/Investment	2.46	0.51
Net cash from investing activities	(5,044.23)	(4,510.81)
C. Cash flows from financing activities		
(1) Proceeds from borrowings	250,137.02	293,118.27
(2) Repayment of borrowings	(147,079.37)	(19,412.40)
(3) Proceeds from issue of share capital	-	171,360.41
(4) Expenses towards increase in share capital	-	(74.03)
(5) IPO expenses	-	(7,263.98)
(6) Dividend paid (including dividend distribution tax)	(7,513.21)	(4,910.48)
(7) Interest paid	(5,797.11)	(433.69)
Net cash used in financing activities	89,747.33	432,384.10
Net increase in cash and cash equivalents (A + B + C)	(27,423.54)	34,461.61
Cash and cash equivalents at the beginning of the year	34,940.07	478.46
Cash and cash equivalents at the end of the year	7,516.53	34,940.07
Components of cash and cash equivalents as at	31-Mar-09	31-Mar-08
Cash on hand	92.77	81.98
With banks - on current account	2,148.11	1,849.09
- on deposit account	5,275.65	33,009.00
	7,516.53	34,940.07

Notes: 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement"
2) Figures in the brackets indicate outflow.

As per our report of even date attached

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

K. P. Devassy

Chief Financial Officer

Darshan Majmudar

Company Secretary

Place: Mumbai

Date: 23rd May, 2009

schedules annexed to and forming part of balance sheet as on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "A"		
SHARE CAPITAL		
Authorised:		
50,00,00,000 (P.Y. 50,00,00,000) Equity Share of Rs.10/- each	50,000.00	50,000.00
Issued, Subscribed and Paid Up		
27,54,92,676 (P.Y. 21,42,72,081) Equity Share of Rs.10/- each fully paid up. (Of the above 6,12,20,595 Shares are allotted as fully paid up by way of bonus shares)	27,549.27	21,427.21
	27,549.27	21,427.21
SCHEDULE "B"		
RESERVE AND SURPLUS		
Share Premium		
Balance as per last Balance Sheet	158,994.90	-
Add: Received during the year	-	167,933.20
Less: Issue expenses written off	-	8,938.30
Less: Utilised for issue of bonus shares	6,122.06	-
	152,872.84	158,994.90
Debenture Redemption Reserve		
Balance as per last Balance Sheet	71,250.00	-
Add: Transferred from Profit and Loss Account	22,500.00	71,250.00
Less: Transferred to General Reserve	25,000.00	-
	68,750.00	71,250.00
General Reserve		
Balance as per last Balance Sheet	54,683.02	5,919.82
Add: Transferred from Profit and Loss Account	57,367.07	48,763.20
Add: Transferred from Debenture Redemption Reserve	25,000.00	-
	137,050.09	54,683.02
Surplus		
Profit and Loss Account	60,542.35	57,367.07
	60,542.35	57,367.07
	419,215.28	342,294.99
SCHEDULE "C"		
LOAN FUND		
SECURED LOANS *		
15,900 (P.Y. 8,750) Redeemable Non-Convertible Debentures of Rs. 10 lacs each	159,000.00	87,500.00
Term loans from Scheduled Banks	220,331.97	77,107.66
Term loans from Financial Institutions	30,000.00	30,000.00
	409,331.97	194,607.66
* Security details of these loans are given in Notes on Accounts Schedule V at serial No. 12.		
UNSECURED LOANS		
50 (P.Y. 300) Redeemable Non-Convertible Debentures of Rs. 1 crore each	5,000.00	30,000.00
Term loans from Scheduled Banks	-	86,666.67
	5,000.00	116,666.67
SCHEDULE "D"		
Deferred Tax Liability (net)		
Arising on account of timing differences		
Depreciation	296.84	181.91
Provision for gratuity	(26.10)	(15.64)
Provision for encashment of leave	(30.58)	(15.06)
	240.16	151.21

schedules annexed to and forming part of balance sheet as on

SCHEDULE "E"

FIXED ASSETS

(Rs. in lacs)

Description	Cost			Depreciation					Net Block	
	as at 01-04-2008	additions	deletions	as at 31-03-2009	upto 31-03-2008	for the year	on sale of asset	upto 31-03-2009	as at 31-03-2009	as at 31-03-2008
Own assets:										
Freehold Land	557.09	-	-	557.09	-	-	-	-	557.09	557.09
Buildings	3,606.77	226.94	-	3,833.71	51.30	77.94	-	129.24	3,704.47	3,555.47
Plant and Machinery	113.25	65.13	-	178.38	0.96	11.64	-	12.60	165.78	112.29
Office Equipments	430.98	104.58	-	535.56	32.81	29.29	-	62.10	473.46	398.17
Computers	191.74	67.33	-	259.07	64.03	36.87	-	100.90	158.17	127.71
Furniture and Fixtures	363.65	73.94	-	437.59	50.55	39.59	-	90.14	347.45	313.10
Vehicles	267.09	237.47	13.10	491.46	61.59	40.29	7.48	94.40	397.06	205.50
Total	5,530.57	775.39	13.10	6,292.86	261.24	235.62	7.48	489.38	5,803.48	5,269.33
Previous year	2,485.95	3,047.44	2.82	5,530.57	126.94	135.52	1.22	261.24	5,269.33	2,359.01

31-Mar-2009
(Rs. in lacs)

31-Mar-2008
(Rs. in lacs)

SCHEDULE " F "

INVESTMENTS (AT COST) (NON-TRADE)

Long Term

Investments in immovable property

Leased out at Dheeraj Arma

4,112.79

4,112.79

Leased out at Pali Arcade

313.73

-

Other than trade (Unquoted Shares)

Punjab & Maharashtra Co-op. Bank Limited

1,90,000 (P.Y. 1,90,000) Equity Shares of Rs.25/- each fully paid up

47.50

47.50

In subsidiary company (Unquoted Shares)

Privilege Power and Infrastructure Private Limited

746.35

746.35

2,07,520 (P.Y. 2,07,520) Equity Shares of Rs.100/- each fully paid up

HDIL Entertainment Private Limited

1.00

1.00

10,000 (P.Y. 10,000) Equity Shares of Rs.10/- each fully paid up

HDIL Oil & Gas Private Limited

0.51

0.51

5,100 (P.Y. 5,100) Equity Shares of Rs.10/- each fully paid up

Blue Star Realtors Private Limited

1,348.52

1,348.52

34,00,000 (P.Y. 34,00,000) Equity Shares of Rs.10/- each fully paid up

Ravijyot Finance & Leasing Private Limited

0.60

0.60

6,000 (P.Y. 6,000) Equity Shares of Rs.10/- each fully paid up

Excel Arcade Private Limited

601.50

-

10,000 (P.Y. Nil) Equity Shares of Rs.10/- each fully paid up

Mazda Estates Private Limited

2,706.75

-

14,000 (P.Y. Nil) Equity Shares of Rs.10/- each fully paid up

HDIL Leisure Private Limited

1.00

-

10,000 (P.Y. Nil) Equity Shares of Rs.10/- each fully paid up

Other corporates (Unquoted)

HDIL Infraproject Private Limited

1,800.00

36.50

1,80,00,000 (P.Y. 3,65,000) Equity Shares of Rs.10/- each fully paid up

HDIL Energy Private Limited

0.26

0.26

2,600 (P.Y. 2,600) Equity Shares of Rs.10/- each fully paid up

HDIL Energy Private Limited

71.95

71.95

7,19,500 (P.Y. 7,19,500) Redeemable Preference Shares of Rs.10/- each fully paid up

UM Architectures and Contractors Limited

1,768.81

-

20,000 (P.Y. Nil) Equity Shares of Rs.10/- each fully paid up

S.G.S. Hotels & Resorts Ltd.

2,440.00

-

3,45,000 (P.Y. Nil) Equity Shares of Rs. 10/- each fully paid up

Current Investments (at lower of cost or market value)

In Mutual Funds

UTI Liquid Cash Plan Institutional -Growth Option

17.70

-

12,39,799 (P.Y.Nil) units of Rs. 1,000/- each

In capital account with partnership firms

14,312.96

14,889.52

30,291.93

21,255.50

schedules annexed to and forming part of balance sheet as on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "G"		
INVENTORIES		
Finished Goods (Stock of Flats/Shops/TDR) (lower of cost or net realisable value)	16,605.05	2,873.95
Work -in-progress (at cost)	627,564.54	507,410.88
	644,169.59	510,284.83
SCHEDULE "H"		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	2,179.75	5,037.58
Other debts		
Unsecured, considered good	14,359.99	545.56
	16,539.74	5,583.14
SCHEDULE "I"		
CASH AND BANK BALANCES		
Cash on hand	92.77	81.98
Balances with scheduled banks:		
On current accounts	2,148.11	1,849.09
On deposit accounts	5,275.65	33,009.00
(Pledged as security for bank guarantee)		
	7,516.53	34,940.07
SCHEDULE "J"		
LOANS AND ADVANCES		
Unsecured considered good		
Advances and loans to subsidiaries	55,915.95	42,165.79
Advances recoverable in cash or in kind or for value to be received:		
Goods and services	1,943.97	2,678.67
Land purchase	156,965.86	117,279.62
Loans to employees	22.57	8.01
Prepaid expenses	71.92	33.57
Deposits	3,379.80	462.89
Accrued interest on fixed deposit	201.30	796.84
	218,501.37	163,425.39
SCHEDULE "K"		
LIABILITIES		
(a) Sundry creditors - Micro, Small and Medium Enterprises	-	-
- Others	30,239.37	30,438.41
(b) Advances from customer	18,809.42	14,891.44
(c) Unpaid dividend	10.73	3.31
(d) Share application money refundable	10.31	16.28
(e) Other liabilities	11,534.73	1,161.22
(f) Interest accrued but not due on loans	543.53	2,661.44
	61,148.09	49,172.10

schedules annexed to and forming part of balance sheet as on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "L"		
PROVISIONS		
Provision for taxation	28,284.91	28,188.84
Provision for fringe benefit tax	193.50	73.25
Provision for wealth tax	5.77	2.43
Less : Advance Tax	26,927.80	18,828.12
	1,556.38	9,436.40
Proposed Dividend	-	6,428.16
Dividend Distribution Tax	-	1,092.47
Provision for bonus	113.86	94.62
Provision for gratuity	67.64	36.84
Provision for encashment of leave	71.60	25.90
	1,809.48	17,114.39
SCHEDULE "M"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
a) Expenses on increasing authorised share capital		
Balance as per last Balance Sheet	153.51	130.65
Add: Expenses incurred during the year	-	74.03
	153.51	204.68
Less: Written off during the year	153.51	51.17
	-	153.51
b) IPO Expenses		
Balance as per last Balance Sheet	-	1,674.31
Add: Additions during the current year	-	7,263.98
	-	8,938.29
Less: Transfer to share premium account	-	8,938.29
	-	-
c) Deferred Revenue Expenses		
Balance as per last Balance Sheet	-	-
Add: Additions during the current year	1,200.00	-
	1,200.00	-
Less: Written off during the year	1,200.00	-
	-	-
Total (a + b)	-	153.51

schedules annexed to and forming part of profit and loss account for the year ended

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "N"		
TURNOVER		
Sale of commercial and residential units	30,622.66	35,335.13
Sale of development rights/ FSI/ Land/ TDR	141,306.38	202,651.76
	171,929.04	237,986.89
SCHEDULE "O"		
OTHER INCOME		
Rent and compensation (TDS Rs. 2,91,54,762/- (P.Y. Rs. 8,88,16,430/-))	2,184.41	1,463.15
Dividend received (From Co-operative Bank)	3.38	1.33
Flat cancellation charges	0.65	0.70
Interest received (TDS Rs.10,37,70,459/- (P.Y. 12,46,78,543/-))	5,693.19	2,657.49
Foreign exchange variation	8.92	-
Profit on sale of investments	17.70	1,116.92
Interest on capital with Partnership Firms	892.56	-
Share of revenue of Entertainment Verticle	45.83	6.07
Miscellaneous income	673.99	-
Share of profit from partnership firms	7.77	-
	9,528.40	5,245.66
SCHEDULE "P"		
(INCREASE)/DECREASE IN STOCK-IN-TRADE		
Opening stock in trade	2,873.95	1,618.53
Closing stock in trade	16,605.05	2,873.95
	(13,731.10)	(1,255.42)
SCHEDULE "Q"		
(INCREASE)/DECREASE IN WORK-IN-PROGRESS		
Opening work-in-progress	507,410.87	113,632.42
Closing work-in-progress	627,564.54	507,410.88
	(120,153.67)	(393,778.46)
SCHEDULE "R"		
COST OF CONSTRUCTION AND DEVELOPMENT		
Land	30,211.46	321,759.47
TDR	-	1,350.27
Tenancy/ Claims/ Development rights	58,385.47	20,621.53
Construction materials and other expenses	76,774.72	116,623.83
	165,371.65	460,355.10
SCHEDULE "S"		
EMPLOYEES' REMUNERATION AND WELFARE EXPENSES		
Salaries, bonus and other payments	1,988.83	1,158.57
	1,988.83	1,158.57

schedules annexed to and forming part of profit and loss account for the year ended

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "T"		
ADMINISTRATIVE EXPENSES		
Advertisement/ Exhibition/ Sales promotion expenses	3,040.49	1,137.13
Commission and brokerage	121.56	26.85
Electricity charges	99.11	46.49
Insurance charges	1.41	10.95
Other administrative expenses	931.30	493.39
Loss on sale of car	3.16	1.09
Printing and stationery	108.33	84.03
Professional fees	217.41	614.23
Rent, rates and taxes	250.87	277.06
Repairs and maintenance to other assets	36.08	26.50
Stamping and registration	6.82	246.22
Communication expenses	177.53	143.45
Travelling expenses and conveyance	1,605.28	496.95
Directors' remuneration and sitting fees	1,962.20	274.40
Remuneration to auditors	126.18	29.14
Donations	172.26	395.75
Filing fees paid to the ROC	0.15	0.24
	8,860.14	4,303.87
SCHEDULE "U"		
FINANCE EXPENSES		
Project specific interest	52,021.39	13,414.94
Other interest	5,797.11	433.69
	57,818.50	13,848.63

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE “V”

A. Nature of operations:

Housing Development and Infrastructure Limited (HDIL) is a leading infrastructure and real estate company in India. HDIL together with its subsidiary companies Privilege Power and Infrastructure Private Limited, Blue Star Realtors Private Limited, Ravijyot Finance & Leasing Private Limited, Excel Arcade Private Limited and Mazda Estates Private Limited is engaged in development of multi product SEZ and real estate development at various locations in the country. Other wholly owned subsidiary, HDIL Entertainment Private Limited is carrying on multiplex business. HDIL as a part of its diversification strategy and future business potential has ventured in the field of Oil and Natural Gas with objective to focus on exploration, production and refining through its subsidiary HDIL Oil & Gas Private Limited and in the hospitality industry by promoting 100% subsidiary HDIL Leisure Private Limited.

B. Statement of significant accounting policies:

1. Basis of preparation

- a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (“GAAP”) under the historical cost convention on an accrual basis and comply in all material respects with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c) Use of estimates

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

2. Fixed assets and depreciation

Fixed assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

3. Investments

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

4. Inventories

Inventories are valued as follows:

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

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

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

- (ii) Projects in progress are valued at cost. Cost includes cost of land, land development rights, materials, services, borrowing costs and other related overheads. Cost incurred/items purchased specifically for projects are taken as consumed as and when incurred/received.

5. Revenue recognition

The Company follows completed project method of accounting (“Project Completion Method of Accounting”). Allocable expenses incurred during the year are debited to work-in-progress account. The income is accounted for as and when the

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

projects get completed or substantially completed and then revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a) Sale:

Unit in real estate:

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

b) Rent:

Revenue is recognised on accrual basis.

c) Interest:

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

d) Dividends:

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

e) Share of profit - Partnership firms:

Share of profit/(loss) from partnership firms is accounted for in respect of the financial year ending on or before the Balance Sheet date.

f) Share in revenue of entertainment vertical:

Revenue is recognised on accrual basis.

6. Borrowing cost

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

7. Employees retirement benefits

(i) Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

(ii) Gratuity

Retirement gratuity liability of employees is a defined benefit obligation and reflects the actuarial valuation of the future gratuity liability.

(iii) Leave encashment

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation as at the end of the year.

(iv) Actuarial gains/losses

Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

8. Income taxes

(i) Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

- (iii) At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (iv) Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

9. Segment reporting policies

The main business of the Company is Real estate development and construction of residential and commercial properties, infrastructure facilities and all other related activities which revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting". The Company through its subsidiary companies have forayed into entertainment, hospitality, power and oil segment as well. Since their revenue/activities are not significant these are not reported separately.

10. Earnings per share

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

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

11. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the current accounting period in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on impairment of assets.

12. Foreign currency transaction

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account.

13. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

14. Leases

Where the Company is the lessor

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

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

C. Other Notes:

1. Related party disclosure

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

Subsidiaries

Privilege Power and Infrastructure Private Limited
 HDIL Entertainment Private Limited
 Blue Star Realtors Private Limited
 Ravijyot Finance & Leasing Private Limited
 HDIL Oil & Gas Private Limited
 Excel Arcade Private Limited
 Mazda Estate Private Limited
 HDIL Leisure Private Limited

Associates

Enterprise significantly influenced by key management personnel
 Privilege Airways Private Limited
 Privilege Industries Limited
 Guruashish Construction Private Limited

Joint Venture

D. S. Corporation
 Fine Developers
 Mahul Construction Corporation

B. Transactions with related party

Nature of transaction	31st March 2009					31st March 2008				
	Subsidiary	Associate	Joint Venture	Key Management Personnel	Total	Subsidiary	Associate	Joint Venture	Key Management Personnel	Total
Loans/advances paid	8,673.96	1,019.84	-	-	9,693.80	32,686.58	-	-	-	32,686.58
Loans/advances repaid	149.93	-	-	-	149.93	-	-	-	-	-
Investment in partnership firm	-	-	(7,473.09)	-	(7,473.09)	-	-	3,119.45	-	3,119.45
Investment in Equity/preference shares	3,309.25	-	-	-	3,309.25	135.10	72.95	-	-	208.05
Interest received	5,441.43	-	892.56	-	6,333.99	2,689.45	-	-	-	2,689.45
Lease rent received	3.11	1.20	-	-	4.31	1.43	-	-	-	1.43
Share of revenue received	45.83	-	-	-	45.83	6.07	-	-	-	6.07
Share of profit received	-	-	3.77	-	3.77	-	-	-	-	-
Directors Remuneration	-	-	-	1,800.00	1,800.00	-	-	-	161.25	161.25
Salary Paid	-	-	-	29.40	29.40	-	-	-	17.32	17.32
Development right/ Expenses	-	12,300.75	-	-	12,300.75	-	19,274.83	-	-	19,274.83
Dividend paid	-	-	-	-	-	-	-	-	701.22	701.22
Outstanding as at year end- Due from	55,915.95	12,912.50	14,312.96	-	83,141.41	42,165.79	-	14,889.07	-	57,054.86
Outstanding as at year end- Due to	-	144.48	-	-	144.48	-	254.00	-	-	254.00

C. Key management personnel

Name

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

Designation

Executive Chairman
 Managing Director
 Chief Financial Officer
 Company Secretary

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

2. Remuneration to Auditors

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Audit fees	66.18	11.24
b) Taxation matters	20.00	7.02
c) Management consultancy	20.00	7.02
d) Other services	20.00	3.86
	126.18	29.14

3. Managerial Remuneration

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Remuneration to the Executive Chairman and Managing Director	1,800.00	161.25
b) Commission to Non-Executive Directors	150.00	100.00
c) Sitting fees	12.20	13.15
	1,962.20	274.40

Computation of net profits for commission payable to the Directors

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
Profit before tax as per Profit and Loss Account	81,532.66	160,213.54
Add: Remuneration to the Executive Chairman and Managing Director	1,800.00	161.25
Commission to Non-Executive Directors	150.00	100.00
Sitting fees	12.20	13.15
Depreciation charged in account	235.62	135.53
	83,730.48	160,623.47
Less: Depreciation as per Section 350 of the Companies Act, 1956	235.62	135.53
Net profit/(loss) on sale of fixed assets as per account	(3.16)	(1.09)
	232.46	134.44
Net profit as per Section 349 of the Companies Act, 1956	83,498.02	160,489.03
Commission payable to Non-Executive Directors @ 1% of the net profit	834.98	1,604.89
Restricted to	150.00	100.00

4. The Company has adopted Accounting Standard 15 (Revised 2005) - Employee benefits ("AS-15"). Pursuant to adoption, the Company has determined the liability for gratuity and leave encashment in accordance with revised AS - 15.

A) Gratuity Plan:

- l) The AS-15 (Revised 2005) stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation.

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

- II) Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.

The following table set out the status of the gratuity plan as required under AS - 15.

a) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
Obligations at period beginning	36.84	9.25
Interest cost @ 0.08	2.95	0.74
Current service cost	31.81	19.07
Benefits paid	-	-
Actuarial (gain) loss on defined benefits obligation	(3.96)	7.78
Obligation at period end	67.64	36.84
b) Amounts to be recognised in the Balance Sheet		
Present value of Defined benefits obligation as on	67.64	36.84
Fair value of plan assets as on	-	-
Liability recognised in balance sheet	67.64	36.84
c) Gratuity cost for the period		
Current service cost	31.81	19.07
Interest cost on obligation	2.95	0.74
Expected return on plan assets	-	-
Net actuarial (gain)/loss	(3.96)	7.78
Expense recognised in the statement of profit and loss	30.80	27.59

B) Leave encashment liability:

- I) The AS-15 (Revised 2005) stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation.
- II) Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.

a) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:

The following table set out the status of the leave encashment plan as required under AS - 15.

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
Obligations at period beginning	25.90	18.60
Interest cost @ 0.08	2.07	1.49
Current service cost	32.29	7.94
Benefits paid	-	-
Actuarial (gain) loss on defined benefits obligation	11.34	(2.13)
Obligation at period end	71.60	25.90

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
b) Amounts to be recognised in the Balance Sheet		
Present value of defined benefits obligation as on	71.60	25.90
Fair value of plan assets as on	-	-
Liability recognised in balance sheet	71.60	25.90
c) Leave Encashment cost for the period		
Current service cost	32.30	7.93
Interest cost on obligation	2.07	1.49
Expected return on plan assets	-	-
Net actuarial (gain)/loss	11.34	(2.13)
Expense recognised in the statement of profit and loss	45.71	7.29

C) Valuation Assumptions

Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.

i)	Mortality	: LIC (1994-96) Ultimate
ii)	Discount Rate	: 8 per cent
iii)	Salary Growth	: 7 per cent per annum
iv)	Withdrawals	: 2 per cent in the age range up to 35 years, decreasing thereafter to 1 per cent up to age 45 and to 1/2 per cent for higher ages
v)	Retirement age	: 60 years

5. Disclosure in respect of operating leases:

Assets given on lease:

- a) General description of leasing arrangement
 - i) Leased assets: Leasing of commercial premises.
 - ii) Future lease rentals are determined on the basis of agreed terms.
 - iii) At the expiry of the lease term, the Company agrees to record the new terms and condition of their agreement in relation to lease of the Premises.
- b) Lease payment received or receivable is recognised in the profit and loss account Rs. 2,184.41 lacs. (Previous year Rs. 1,463.15 lacs)
- c) Total minimum lease payments receivable

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
The total of minimum lease payments for a period :		
Not more than one year	2,226.86	2,184.41
Not less than one year and not more than five year	4,209.62	6002.61
More than five year	264.05	697.93

6. Capital commitments

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	754.93	401.25

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

7. Contingent Liabilities not provided for

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Claims against the Company not acknowledged as debts represented a suit filed by a party in the High Court, Bombay and disputed by the Company		
(i) Relating to failure to handover multiplex premises.	3,737.79	3,737.79
(ii) Other matters	6,317.00	-
	10,054.79	3,737.79
In the opinion of the management the above claims are not sustainable.		
b) Guarantees provided by the bank	2,938.65	2,915.00
c) Letter of credits provided by the bank	Nil	404.72

8. Supplementary statutory information

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
i) Earnings in foreign currency	Nil	Nil
ii) Expenditure in foreign currency		
- Professional fees	Nil	306.12
- Other matters	179.45	1,167.42
iii) Value of imports calculated on CIF basis		
- Capital goods	69.20	5.34
- Construction materials and other expenses	57.15	1,830.62

9. Licensed capacity, installed capacity, etc.

With regard to clause 3(ii) of Part II of Schedule VI to the Companies Act, 1956, the Company is of the view that in respect of its real estate operations, the Company does not fall under the category of clause 3(ii)(a) "Manufacturing Company" or clause 3(ii)(b) "Trading Company" or clause 3(ii)(c) "Company rendering or supplying services", but falls under the category of "Other Companies" as given in clause 3(ii)(e). As such, quantitative data for opening stock, purchases and closing stock have not been given.

10. In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice.

11. In the opinion of the management, the current assets and loans and advances are not less than as stated, if realized in the ordinary course of business.

12. Loan funds:

A) Secured loans: -

I) Term Loans: -

a) Indian Overseas Bank :

- (i) Secured by *pari passu* charge by mortgage/charge-cum-hypothecation of the project assets of the borrower. (Description of the project: borrower has development rights to construct (a) a multi-storeyed mall on the portion of land admeasuring 28465.78 sq. mtr. in village Bhandup, Mumbai) Project assets (I) include the following. (1) Borrower's share of sale area to be constructed together with the undivided pro rata right, interest, title of the borrower in the land underneath comprising saleable area of 400000 sq. ft. in the mall and 250000 sq. ft. in the basement parking lot. (2) Construction material brought at site for the purpose of construction of the building. (3) Receivables, which may be generated from the booking of, free sale area from time to time. Rate of Interest is BPLR + 0.50% p.a. or 11.50% p.a. whichever is higher (Amount repayable within next twelve months exclusive of interest Rs. 1,000.00 lacs)

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

- (ii) Secured by 1st *pari passu* charge on free sale area constructed /to be constructed together with undivided pro rata right, interest of the Company in land underneath being the Company's slum rehabilitation scheme at Sambhaji Nagar as well as the right of sale/utilization of transferable development rights generated from said scheme, hypothecation of movable at the construction site and book debts. Rate of Interest is BPLR - 0.25% p.a. or 10.75% p.a. whichever is higher (Amount repayable within next twelve months exclusive of interest Rs. 2,222.16 lacs).
- b) Syndicate Bank:**
 Registered mortgage of non agriculture land admeasuring about 211674 sq. ft. at CTS No.1A-58, containing plot nos. D/1,D/1-A, D2 and D3 of Village Pahadi, Goregaon (West), Mumbai, into shopping complex known as "The Harmony" together with all buildings, structures, erections, godowns and construction of every description which are standing, erected or attached. Rate of Interest is PLR in force. (Amount repayable within next twelve months exclusive of interest Rs. 364.44 lacs).
- c) Indian Bank:**
 First *pari passu* charge by mortgage/charge-cum-hypothecation of the project assets of the borrower. (Description of the project: borrower has development rights to construct a multi-storeyed mall on the portion of land admeasuring 28465.78 sq. mtr. in village Bhandup, Mumbai). Project assets include the following. (1) Borrowers share of sale area to be constructed together with the undivided pro rata right, interest, title of the borrower in the land underneath comprising saleable area of 400000 sq. ft. in the mall and 250000 sq. ft. in the basement parking lot. (2) Construction material brought at site for the purpose of construction of the building. (3) Receivables which may be generated from the booking of free sale area from time to time. Rate of Interest BPLR +TP - 0.50% p.a. (Amount repayable within next twelve months exclusive of interest Rs. 665.13 lacs).
- d) Bank of India:**
- (i) Secured by registered mortgage of free sale component to be generated on the piece and parcel of land bearing survey no. 236A and 194 (pt) admeasuring about 18199.08 sq. mtr. on the property situated at Ghatkopar (East) together with buildings constructed or to be constructed thereon. The term loan repayable in 48 equal monthly installments of Rs. 208.35 lacs commencing from April 2011. The rate of interest is BPLR + 0.75% p.a. (Amount repayable within next twelve months exclusive of interest Rs. Nil).
- (ii) The other term loan secured by hypothecation of construction materials and other movable assets as well as all receivables of Airport Slum Rehabilitation Project. Repayable in 4 quarterly instalments of Rs. 5,000.00 lacs after moratorium of two years from first disbursement. Interest rate is BPLR. (Amount repayable within next twelve months exclusive of interest Rs. Nil).
- e) Indian Corporate Loan Securitisation Trust - Series LVI:**
 Working capital term loan secured by *pari passu* charge on the land admeasuring 28465.78 sq. mtrs. and exclusive charge on 2nd & 3rd floor of the structure standing thereon of the project Dreams Mall at village Bhandup, Mumbai. Rate of interest 13.50% p.a. payable monthly. Repayment by two equal installments at the end of the 16th and 18th month from the date of disbursement. (Amount repayable within next twelve months exclusive of interest Rs. 10,000.00 lacs).
- f) Life Insurance Corporation of India:**
 The term loan is secured by registered mortgage of land admeasuring about 2107399 sq. ft. along with structures to be constructed thereon situated in Village Chandansar, Virar (East) Dist. Thane and land admeasuring about 22.50 acres at Kochi. Rate of interest is 12.75% p.a. payable monthly. Repayment by sixteen equal quarterly installments beginning from 1st May, 2009. (Amount repayable within next twelve months exclusive of interest Rs. 7,500.00 lacs).
- g) Union Bank of India:**
- i) Secured by Mortgage of commercial property situated at 3rd and 4th floor admeasuring 15045 sq. ft. & 15155 sq. ft. respectively towards south side in Dheeraj Arma, Bandra (E). Rate of interest is BPLR + 0.50%

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

p.a. payable monthly. Repayment by 23 equal monthly installments of Rs. 1000.00 lacs beginning from October, 2009. (Amount repayable within next twelve months exclusive of interest Rs. 5,377.00 lacs).

- ii) Other term loan is secured by mortgage of property situated at LBS marg, Mulund (W), Mumbai (Land bearing plot nos. 6, 16, 17, 19, 20 and 21, old survey no. 94(pt), 119(pt), 127(127) & Hissa No. 1 (pt)). Rate of interest is 1.50% over BPLR payable monthly and repayment in 15 equal monthly installments of Rs. 925.00 lacs commencing from March, 2009 (Amount repayable within next twelve months exclusive of interest Rs. 10,140.00 lacs).

Both the above term loans are further secured by 663357.50 sq. mtrs of non agriculture land situated at Village Kasrali, Vasai. The land is owned by Privilege Power and Infrastructure Private Limited, the wholly owned subsidiary of the Company.

h) Central Bank of India:

Secured by registered mortgage of property admeasuring 10 acres at Kurla. Rate of interest BPLR payable monthly. Repayment in six monthly installments after moratorium period of 18 months from the 1st date of disbursement. (Amount repayable within next twelve month exclusive of interest Rs. 15,000.00 Lacs)

i) Corporation Bank:

Secured by equitable mortgage of property admeasuring 97320 sq. mtrs. of land situated at village Chandansar, Virar (East) which is owned by Privilege Power and Infrastructure Private Limited. Rate of interest COBAR + 0.75% floating. Repayment in ten quarterly installments of Rs. 1,000.00 lacs each after moratorium period of 6 months from the 1st date of disbursement. (Amount repayable within next twelve month exclusive of interest Rs. 4,000.00 lacs)

j) Punjab National Bank:

Secured by equitable mortgage of land admeasuring 2,63,870 sq. mts. at village Dongare, Taluka Vasai, District Thane. Rate of interest is BPLR+TP+1.50%. Repayment in 12 monthly installments commencing from July 2010 (Amount repayable within next twelve month exclusive of interest Rs. Nil)

k) Oriental Bank of Commerce:

Secured by mortgage of non agriculture land admeasuring 1) 13,436 sq. mtr. at survey no. 207 at Nahur village, 2) 7,509 sq. yards at survey no. 36 at Ghodbunder Road at Malad, 3) 1,44,690 sq. mtrs. situated at Maljipada, Vasai and 4) 4,940 sq. yards bearing portion of plot nos. 41 situated at Santacruz town planning scheme no. 2, Juhu Tara Road, Juhu, Property owned by Juhu Investment Pvt. Limited. Rate of interest is PLR +2.50% payable monthly. The repayment is in 18 equal monthly installments of Rs. 972.22 lacs commencing from December 2008 (Amount repayable within next twelve month exclusive of interest Rs. 11,666.67 lacs).

l) Punjab and Sind Bank:

Secured by 1,52,955 sq. meters of non-agricultural plots of land situated at Village Chandansar, Virar (E) owned by Privilege Power and Infrastructure Private Limited carrying interest at BPLR + 0.25% payable monthly and having tenor of twelve months. Repayable by one bullet payment. (Amount repayable within next twelve months exclusive of interest Rs. 10,000.00 lacs).

m) United Bank of India:

- (i) Secured by registered mortgage of land admeasuring 1,07,760 sq. mtr. situated at Kopri (Chandansar), Virar East, Dist. Thane which is owned by Privilege Power and Infrastructure Private Limited. Rate of interest BPLR + 150 basis points payable monthly. Repayable in 10 quarterly installments of Rs.1,000.00 lacs each after moratorium of 6 months from the date of first disbursement (Amount repayable within next twelve months exclusive of interest Rs.3,000.00 lacs).
- (ii) Secured by pledge of original development right certificate issued by Municipal Corporation of Greater Mumbai covering TDR for an aggregate area of 10,76,400 sq. ft. Rate of interest @ BPLR but not below 12.50% p.a. payable monthly. Repayment will be in 8 equal monthly installments after moratorium of 4 months from date of first disbursement. The amount of each installment would be 1/8th of balance in

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

account after adjusting the sale proceeds of TDR during the initial 4 months of moratorium period. (Amount repayable within next 12 months exclusive of interest Rs. 7,500.00 lacs).

n) The Jammu and Kashmir Bank:

Secured by registered mortgage of non agricultural property of Privilege Power and Infrastructure Pvt. Ltd. admeasuring 2,31,490 sq. mtr. situated at Kopri, Virar (E). Rate of interest PLR payable monthly. Repayable in 10 equal quarterly installments of Rs. 2,000.00 lacs each. The first installment to commence after moratorium of 6 months from the date of first disbursement. (Amount repayable within next 12 months exclusive of interest Rs. 5,983.50 lacs).

o) Vijaya Bank:

Secured by registered mortgage of non agricultural land bearing survey no. 196 (348) admeasuring 30,410 sq. mtr. situated at Village Sasunavghar, Vasai. The loan carrying interest at BPLR + 2.00 + 0.25%. Repayment in 12 monthly installments commencing from January 2009. (Amount repayable within next twelve months exclusive of interest Rs. 1,797.95 lacs).

p) UCO Bank:

Secured by registered mortgage of immovable property (non-agricultural) admeasuring 1,29,600 sq. mtrs. situated at Village Doliv, Taluka Vasai, Dist. Thane. Rate of interest BPLR + 0.75% payable monthly. Repayable in 10 quarterly installments of Rs.2,000.00 lacs each after moratorium of 6 months from the date of first disbursement (Amount repayable within next twelve months exclusive of interest Rs.6,000.00 lacs)

II) Secured Redeemable Non Convertible Debentures (Listed):

- i) 2500 (2500) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest at the rate of 11.75% p.a. payable monthly each year are issued on private placement basis to Life Insurance Corporation of India. The debentures are secured by 2,88,940 sq. mtr. non-agricultural land situated at village Dolive and Village Kharadi, Vasai, District Thane. These Secured Non-Convertible Debentures are redeemable in eighteen equal monthly installments of Rs. 13.89 lacs commencing from October 2010.
- ii) 3000 (3000) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest at the rate of 11.75% p.a. payable monthly each year are issued on private placement basis to Life Insurance Corporation of India. The debentures are secured by 2,88,940 sq. mtr. non-agricultural land situated at village Dolive and Village Kharadi, Vasai, District Thane. These Secured Non-convertible Debentures are redeemable in eighteen equal monthly installments of Rs. 16.67 lacs commencing from October 2010.
- The aforesaid debentures are secured by registered mortgage of Dreams mall at Bhandup and 2,39,895 sq. ft. of build up area in building known as Dheeraj Arma, Bandra (East).
- The above debentures are further secured by registered mortgage of first to nine floors except 3rd, 4th and 6th floors of commercial building known as Dheeraj Arma, Bandra (East).
- iii) 3250 (3250) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest @ 13.25% p.a. payable quarterly each year are issued on private placement basis to various bankers and financial institutions. The debentures are secured by registered mortgage of a) property situated at Mahul Plot No. 2 of Survey No. 15 Hissa No. 1 corresponding to CTS No. 611 taluka Kurla admeasuring about 7492.90 sq. mtr. b) property bearing CTS No. 602, 603, 604, 605 and 606 admeasuring 23,571.80 sq. mtrs. at Mahul and c) property situated at village Kurla Greater Mumbai and in the registration sub dist. of Bandra admeasuring 18,183.57 sq. mtr. These Secured Non-Convertible Debentures are redeemable on 19th February, 2010.
- iv) 2500 (Nil) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest @ 13.25% p.a. payable monthly, are issued on private placement basis to Bank of India. The debentures are secured by registered mortgage of a) property situated at Mahul Plot No. 2 of Survey No. 15 Hissa No. 1 corresponding to CTS No. 611 taluka Kurla admeasuring about 7492.90 sq. mtr. and property situated at village Kurla Greater Mumbai and in the registration sub dist of Bandra admeasuring 7,983.36 sq. mtr. These Secured Non-Convertible Debentures are repayable in thirty six equal monthly installments of Rs. 694.00 lacs commencing from April 2010.

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

III) Secured Redeemable Non-Convertible Debentures (Non listed):

- i) 3000 (Nil) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest with a floor of 11.95% p.a. and upper cap of 12.25% p.a. payable monthly each year are issued on private placement basis to Life Insurance Corporation of India. Secured by registered mortgage of non agricultural land admeasuring 3195.82 sq. mtrs. situated at Survey No. 37, mauje Ishwarpura, Taluka Radi, Mehsana and 2,88,940 Sq. mtr. non-agricultural land situated at village Dolive and Village Kharadi, Vasai, District Thane. These Secured Non-Convertible Debentures are redeemable in eighteen equal monthly instalments of Rs. 16.67 lacs commencing from October 2010.

The above debentures are further secured by registered mortgage of first to nine floors except 3rd, 4th and 6th floors of commercial building known as Dheeraj Arma, Bandra (East).

- ii) 200 (Nil) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest @ 13.25% p.a. payable quarterly each year are issued on private placement basis to various bankers and financial institutions. The debentures are secured by registered mortgage of property situated at a) Mahul Plot No. 2 of Survey No. 15 Hissa No. 1 corresponding to CTS No. 611 taluka Kurla admeasuring about 7492.90 sq. mtrs. b) Mahul, property bearing CTS No. 602, 603, 604, 605 and 606 admeasuring 23,571.80 sq. mtrs. and c) Village Kurla Greater Mumbai and in the registration sub dist of Bandra admeasuring 18,183.57 sq. mtrs. These Secured Non-Convertible Debentures are redeemable on 19th February, 2010.
- iii) 150 (Nil) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest @ 13.25% p.a. payable quarterly each year are issued on private placement basis to General Insurance Corporation. These Secured Non-Convertible Debentures are redeemable after 24 months from the date of allotment. Secured by registered mortgage of commercial building No. 5 known as Dheeraj Arma, Bandra. These secured redeemable non-convertible debenture are redeemable on 22nd June, 2010.
- iv) 400 (Nil) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest @ 13.25% p.a. payable monthly are issued on private placement basis to Punjab National Bank. These Secured Non-Convertible Debentures are redeemable after 24 months from the date of allotment. Secured by immovable property and the security is being created for the same. These secured redeemable non-convertible debenture are redeemable on 4th January, 2011.
- v) 900 (Nil) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each fully paid carrying interest @ 16% p.a. payable monthly are issued to UTI Mutual Fund. Theses Secured Non-Convertible Debentures are redeemable in 24 months on monthly basis with effect from 25th March, 2009 and the security is being created for the same.

B) Unsecured loans:

a) Redeemable non-convertible debentures:

- i) 25 (25) Unsecured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000/- each fully paid carrying interest with a floor of 12% p.a. and upper cap of 12.10% p.a. payable quarterly are issued on private placement basis to Life Insurance Corporation of India (Formerly known as LIC Mutual Fund). These Non-Convertible Debentures are redeemable on 17th December, 2009.
- ii) 25 (25) Unsecured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000/- each fully paid carrying interest with a floor of 12.15% p.a. and upper cap of 12.20% p.a. payable quarterly are issued on private placement basis to Life Insurance Corporation of India (Formerly known as LIC Mutual Fund). These Non-Convertible Debentures are redeemable on 27th December, 2009.

Notes:

- i) All the above loans and debentures have been personally guaranteed by Executive Chairman and Managing Director.
- ii) IDBI Trustee are trustee to all the Debentures issued.

significant accounting policies and notes on account for the year ended on 31st march, 2009

SCHEDULE "V" (Contd.)

13. Investment in partnership firms

D.S. Corporation:

Share of profit - 45%, other partners and share of profit (1) Shri Rakesh Kumar Wadhawan - 20%, (2) Prithvi Realtors & Hotels Private Limited - 20%, (3) Shri Sarang Wadhawan - 5%, (4) Shri Waryamsingh - 5% and (5) Shri Sunpreet Singh - 5%.

Fine Developers:

Share of profit - 90%, other partner and share of profit is Sapphire Land Developers Private Limited - 10%.

Mahul Construction Corporation:

Share of profit - 85%, other partners and share of profit (1) Shri Waryam Singh - 5%, (2) Shri Sarang Wadhawan - 5% and (3) Shri Sunpreet Singh - 5%.

14. Earning per share has been computed as under:

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
(a) Net profit after tax as per profit and loss account	72,120.77	141,038.95
(b) MAT Credit entitlement and excess provision for tax of earlier years	10,921.58	2.70
(c) Net Profit attributable to Equity Shareholders	83,042.35	141,041.65
(d) Weighted average number of equity shares used as denominator for calculating EPS	275,492,676	262,057,932
(e) Basic and Diluted Earning per share	30.14	53.82
(f) Nominal value per equity share is Rs. 10/-		

15. Micro, Small and Medium Enterprises

Micro, Small and Medium Enterprise under Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosure are given below:

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
i) Principal amount remaining unpaid on 31st March, 2009	-	-
ii) Interest due thereon as on 31st March, 2009	-	-
iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year	-	-
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v) Interest accrued and remaining unpaid as at 31st March, 2009	-	-
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

16. The income tax assessments have been completed up to the assessment year 2006-07. For the Assessment Year 2005-06, the Company has preferred an appeal against the assessment order passed by the ITO and has deposited entire tax demand. There is no pending tax demand on the Company.

17. Figures for the previous accounting period have been regrouped, rearranged, restated and reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous accounting period are included as an integral part of the current accounting period financial statement and are to be read in relation to the amounts and other disclosures relating to the current accounting period.

significant accounting policies and notes on account for the year ended on 31st march, 2009

D. Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.:	101379	State Code:	11
Balance Sheet Date:	31/03/2009		

II. Capital raised during the year (Amount in Rs. lacs)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	6,122.06	Private Placement	Nil

III. Position of Mobilisation And Deployment of Funds (Amount in Rs. lacs)

Total Liabilities	924,294.25	Total Assets	924,294.25
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Sources of Funds

Paid-up Capital	27,549.27	Reserves and Surplus	419,215.28
Secured Loans	409,331.97	Unsecured Loans	5,000.00
Deferred Tax Liability	240.16		

Application of Funds

Net Fixed Assets	7,275.09	Investments	30,291.93
Net Current Assets	823,769.66	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of company (Amount in Rs. lacs)

Turnover (Sales and other income)	181,457.44	Total Expenditure	99,924.78
Profit before Tax	81,532.66	Profit after Tax	72,120.77
Earnings Per Share – (in Rs.)	30.14	Dividend Rate %	0

Generic names of principal products/services of the Company (As per monetary Terms)

Item Code No. (ITC Code)	NA	Product Description	NA
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Signatures to Schedule A to V

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

K. P. Devassy

Chief Financial Officer

Darshan Majmudar

Company Secretary

Place: Mumbai

Date: 23rd May, 2009

auditors' reports on consolidated financial statements

To the Members of HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

1. We have audited the attached consolidated balance sheet of **HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED** (the Company) and its subsidiaries, Privilege Power and Infrastructure Private Limited, Blue Star Realtors Private Limited, HDIL Entertainment Private Limited, Ravijyot Finance and Leasing Private Limited, Mazda Estate Private Limited, HDIL Leisure Private Limited, Excel Arcade Private Limited and HDIL Oil & Gas Private Limited, as at 31st March, 2009 together with, consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, notified by Companies (Accounting Standard) Rule, 2006, and on the basis of the separate audited financial statements of the Company and its subsidiaries as listed in paragraph 1 above.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the consolidated balance sheet, of the consolidated state of affairs of the Company as on 31st March, 2009;
 - (ii) in the case of the consolidated profit and loss account, of the consolidated profit for the year ended on that date; and
 - (iii) in the case of consolidated cash flow statement, of the consolidated cash flows for the year ended on that date.

For **THAR & CO.**
Chartered Accountants

Jayesh R. Thar
(Proprietor)
Membership No. 032917

Place: Mumbai
Date: 23rd May, 2009

consolidated balance sheet as on

	Schedules	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' funds			
Capital	A	27,549.27	21,427.21
Reserves and surplus	B	414,632.73	342,723.49
Loan funds			
Secured loans	C	409,331.97	194,607.66
Unsecured loans		5,000.00	116,666.67
Minority interest		0.32	0.86
Deferred tax liability	D	302.59	153.87
	Total	856,816.88	675,579.76
APPLICATION OF FUNDS			
Fixed assets	E		
Gross block		6,538.30	5,755.32
Less : Depreciation		562.00	315.15
Net block		5,976.30	5,440.17
Capital work-in-progress		1,517.05	522.46
		7,493.35	5,962.63
Goodwill on consolidation	F	4,784.69	911.13
Investments	G	24,908.75	19,145.08
Deffered tax assets	H	64.93	2.42
Current assets, loans and advances			
Inventories	I	691,280.01	552,287.16
Sundry debtors	J	16,691.13	5,665.98
Cash and bank balances	K	7,548.93	35,050.63
Loans and advances	L	170,973.73	131,076.27
		886,493.80	724,080.04
Less : Current liabilities and provisions			
Current liabilities	M	65,090.41	57,631.80
Provisions	N	1,838.23	17,132.23
		66,928.64	74,764.03
Net current assets		819,565.16	649,316.01
Miscellaneous expenditure (to the extent not written off or adjusted)	O	–	242.49
	Total	856,816.88	675,579.76
Notes to accounts	X	–	–

As per our report of even date attached

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

K. P. Devassy

Chief Financial Officer

Darshan Majmudar

Company Secretary

Place: Mumbai

Date: 23rd May, 2009

consolidated profit and loss account for the year ended

	Schedules	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
INCOME			
Turnover	P	172,844.13	238,045.01
Other income	Q	5,398.32	5,285.20
		178,242.45	243,330.21
EXPENDITURE			
(Increase)/Decrease in stock in trade	R	(13,734.47)	(1,246.01)
(Increase)/Decrease in work-in-progress	S	(125,258.37)	(404,063.15)
Transfer to Investment/Fixed assets		(618.70)	(1,799.97)
Cost of construction, development and operating expenses	T	169,516.95	470,399.01
Project specific interest	W	53,674.72	13,643.68
Employees' remuneration and welfare expenses	U	2,207.51	1,223.99
Administrative expenses	V	9,083.52	4,310.08
Interest	W	5,817.36	433.69
Depreciation		254.33	148.85
Preliminary expenses written off		153.80	74.60
		101,096.65	83,124.77
Operating profit before tax		77,145.80	160,205.44
Less: Provision for tax		9,207.77	19,060.04
Less: Provision for fringe benefit tax		133.63	46.04
Less: Provision for wealth tax		3.34	1.43
Less: Deferred tax liability		89.60	84.85
Add: MAT Credit entitlement		8.17	-
Add: Deferred tax asset		0.43	9.85
Profit after tax (before adjustment for minority interest)		67,720.06	141,022.93
Less: Minority interest		(54.61)	(0.02)
Balance brought forward from previous year		57,238.93	49,011.19
Add/(less): Deffered tax asset/(liabilities) for earlier year		2.96	-
Add: MAT Credit entitlement		3,366.04	-
Add: Excess provision for taxation no longer required		7,577.11	2.70
Less: Short provision for income tax/fringe benefit tax for earlier year		0.10	40.24
Less: Preliminary expenses written off		7.28	-
Less: Share issue expenses		4.05	-
Adjustments for subsidiaries added		(1.13)	62.86
Profit available for appropriation		135,947.15	190,059.46
Appropriations :			
Transferred to General Reserve		57,367.07	48,763.20
Transferred to Capital Redemption Reserve		-	62.07
Transferred to Debenture Redemption Reserve		22,500.00	71,250.00
Interim Dividend		-	4,200.00
Proposed Dividend		-	6,428.16
Dividend distribution tax		-	1,806.26
Profit (after adjustment for minority interest)		56,080.08	57,549.77
Less: Losses of minority adjusted against majority interest		54.06	-
Less: Preacquisition profit		(1.13)	68.81
Less: Goodwill impaired		582.81	242.15
Profit carried to balance sheet		55,444.34	57,238.81
Earnings per share (Amount in Rs.)		28.57	53.82
Equity shares of par value Rs. 10/- each			
Weighted average number of shares used in computing earnings per share		275,492,676	262,057,932
Notes to accounts	X		

As per our report of even date attached

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

K. P. Devassy

Chief Financial Officer

Darshan Majmudar

Company Secretary

Place: Mumbai

Date: 23rd May, 2009

consolidated cash flow statement for the year ended on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
A. Cash flow from operating activities		
Net profit before tax	77,145.80	160,205.44
Adjustments for :		
(1) Depreciation	254.32	148.85
(2) Expenses of increasing authorised share capital written off	153.80	74.60
(3) Interest expenses	5,817.36	433.69
(4) Investment income	(4,697.22)	(4,152.84)
(5) Profit on sale of investments	(17.70)	(1,116.91)
(6) Loss on sale of assets	3.16	1.09
Operating profit before working capital changes	78,659.52	155,593.92
Movements in working capital :		
Decrease/(Increase) in inventory	(138,992.85)	(419,839.25)
Decrease/(Increase) in sundry debtors	(11,025.15)	25,465.25
Decrease/(Increase) in other receivables	(39,883.87)	(118,691.23)
Increase/(Decrease) in trade and other payables	7,557.27	(21,424.29)
Net movement in working capital	(182,344.60)	(534,489.52)
Cash generated from/(used in) operations	(103,685.08)	(378,895.60)
Less: Direct taxes paid (net of refunds)	6,286.37	16,365.09
Net cash from/(used in) operating activities	(109,971.45)	(395,260.69)
B. Cash flows from investing activities		
(1) Sale of fixed assets	2.46	0.51
(2) Purchase of investments (net of sales)	(5,727.17)	(3,369.59)
(3) Investment income	4,697.22	4,152.84
(4) Profit on sale of investments	17.70	1,116.91
(5) (Increase)/Decrease in capital work-in-progress	(994.59)	(487.88)
(6) Purchase of fixed assets (including additional Goodwill)	(5,253.60)	(4,059.15)
Net cash from/(used in) investing activities	(7,257.98)	(2,646.36)
C. Cash flows from financing activities		
(1) Proceeds from issue of equity shares	-	171,360.40
(2) Proceeds from borrowings	250,137.02	293,118.27
(3) Repayments of borrowings	(147,079.37)	(19,412.40)
(4) Interest paid	(5,817.36)	(433.69)
(5) Dividend paid (including dividend distribution tax)	(7,513.21)	(4,910.48)
(6) IPO expenses	-	(7,263.98)
(7) Preliminary expenses	(0.30)	-
(8) Expenses towards increase in share capital	-	(124.48)
Net cash from/(used in) financing activities	89,726.78	432,333.64
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(27,502.65)	34,426.59
Cash and cash equivalents at the beginning of the year	35,050.62	570.60
Less: Delink of subsidiary	(0.20)	-
Add: Upon addition of new subsidiaries	1.16	53.43
Cash and cash equivalents at the end of the year	7,548.93	35,050.62
Components of cash and cash equivalents as at	31-Mar-2009	31-Mar-2008
Cash on hand	101.15	122.14
With banks - on current account	2,171.63	1,919.49
- on deposit account	5,276.15	33,009.00
	7,548.93	35,050.62

Notes : 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".

2) Figures in the brackets indicate outflow.

As per our report of even date attached

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

Place: Mumbai

Date: 23rd May, 2009

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

Sarang Wadhawan

Managing Director

K. P. Devassy

Chief Financial Officer

Darshan Majmudar

Company Secretary

schedules annexed to and forming part of consolidated balance sheet as at

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "A"		
SHARE CAPITAL		
Authorised :		
50,00,00,000 (P.Y. - 50,00,00,000) Equity shares of Rs.10/- each	50,000.00	50,000.00
Issued, subscribed and paid up		
27,54,92,676 (P.Y. - 21,42,72,081) Equity share of Rs.10/- each fully paid up. (Of the above 6,12,20,595 Shares are allotted as fully paid -up by way of bonus shares)	27,549.27	21,427.21
	27,549.27	21,427.21
SCHEDULE "B"		
RESERVE AND SURPLUS		
Capital reserve		
Balance as per last balance sheet	6.00	6.00
	6.00	6.00
Capital redemption reserve		
Balance as per last balance sheet	62.07	-
Add: Transferred from profit and loss account	-	62.07
	62.07	62.07
Share premium		
Balance as per last balance sheet	158,994.91	9,580.32
Add: Received during the year	-	167,933.20
Less: Issue expenses written off	-	8,938.29
Less: Utilised for redumption of preference shares	-	9,580.32
Less: Utilised for issue of fully paid bonus shares	6,122.06	-
	152,872.85	158,994.91
Debenture redemption reserve		
Balance as per last balance sheet	71,250.00	-
Add: Transferred from profit and loss account	22,500.00	71,250.00
Less: Transferred to general reserve	25,000.00	-
	68,750.00	71,250.00
General reserve		
Balance as per last balance sheet	55,171.70	6,408.50
Add:-Transferred from profit and loss account	57,367.07	48,763.20
Add : Transferred from debenture redemption reserve	25,000.00	-
Less : Cost of increasing authorised share capital written off	41.30	-
	137,497.47	55,171.70
Surplus		
Profit and loss account	55,444.34	57,238.81
	414,632.73	342,723.49
SCHEDULE "C"		
LOAN FUNDS		
15,900 (8,750) Redeemable non convertible debentures of Rs. 10 lacs each	159,000.00	87,500.00
Term loan from scheduled banks	220,331.97	77,107.66
Term loan from financial institutions	30,000.00	30,000.00
	409,331.97	194,607.66
Unsecured loans		
50 (300) Redeemable non convertible debentures of Rs.100 lacs each	5,000.00	30,000.00
Term loan from scheduled banks	-	86,666.67
	5,000.00	116,666.67
SCHEDULE "D"		
DEFERRED TAX LIABILITY		
Arising on account of timing difference in,		
Depreciation	302.59	184.57
Provision for gratuity	-	(15.64)
Provision for encashment of leave encashment	-	(15.06)
	302.59	153.87

schedules annexed to and forming part of consolidated balance sheet as on

SCHEDULE "E"

FIXED ASSETS

(Rs. in lacs)

Description	Cost				Depreciation				Net Block	
	as at 01-04-2008	additions during the year #	deletions during the year	as at 31-03-2009	up to 31-03-2008	for the year	on sale of assets	up to 31-03-2009	as at 31-03-2009	as at 31-03-2008
Land	557.09	-	-	557.09	-	-	-	-	557.09	557.09
Buildings	3,648.81	226.94	-	3,875.75	57.02	78.63	-	135.65	3,740.10	3,591.79
Plant and Machinery	113.36	65.32	-	178.68	0.99	11.65	-	12.64	166.04	112.37
Office Equipments	476.46	108.36	-	584.82	39.66	31.64	-	71.30	513.52	436.80
Computers	250.23	71.18	-	321.41	77.62	46.10	-	123.72	197.69	172.61
Furniture and Fixtures	403.71	74.36	-	478.07	59.19	41.86	-	101.05	377.02	344.52
Vehicles	297.88	249.27	13.10	534.05	80.56	43.62	7.48	116.70	417.35	217.32
Intangible Asset	7.78	0.65	-	8.43	0.11	0.83	-	0.94	7.49	7.67
Total	5,755.32	796.08	13.10	6,538.30	315.15	254.33	7.48	562.00	5,976.30	5,440.17
Previous year	2,666.74	3,091.40	2.82	5,755.32	159.27	157.10	1.22	315.15	5,440.17	2,507.47

Includes Fixed Assets of new subsidiaries.

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "F"		
GOODWILL ON CONSOLIDATION		
Balance as per last balance sheet	911.13	229.84
Add/(Less) : Goodwill/(Capital reserve) on acquisition of interest in subsidiary	4,456.37	923.44
Less: Impairment during the year	582.81	242.15
	4,784.69	911.13
SCHEDULE "G"		
LONG TERM INVESTMENTS (At Cost)		
In immovable property		
Investment in property at Dheeraj Arma	4,112.79	4,112.79
Investment in property - Flats at Virar	13.06	13.06
Investment in property - Pali Arcade	313.72	-
Investments other than trade		
Investments (Unquoted)		
Punjab & Maharashtra Co-op. Bank Limited 2,30,000 (P.Y. 2,30,000) Equity shares of Rs. 25/- each fully paid up	57.50	57.50
Other Corporates		
HDIL Energy Private Limited 2,600 (P.Y. 2,600) Equity shares of Rs. 10/- each fully paid up	0.26	0.26
HDIL Energy Private Limited 7,19,500 (P.Y. 7,19,500) Redeemable Preference shares of Rs. 10/- each fully paid up	71.95	71.95
HDIL Infraproject Private Limited 1,80,00,000 (P.Y. Nil) Equity shares of Rs. 10/- each fully paid up	1,800.00	-
UM Architectures and Contractors Limited 20,000 (P.Y. Nil) Equity shares of Rs. 10/- each fully paid up	1,768.81	-
S.G.S. Hotels & Resorts Ltd. 3,45,000 (P.Y. Nil) Equity shares of Rs. 10/- each fully paid up	2,440.00	-
In Mutual Funds		
UTI Liquid Cash Plan Institutional - Growth Option 12,39,799 (P.Y. Nil) units of Rs. 1,000/- each	17.70	-
In Capital Account with partnership firms	14,312.96	14,889.52
	24,908.75	19,145.08

schedules annexed to and forming part of consolidated balance sheet as on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "H"		
DEFERRED TAX ASSETS		
Arising on account of timing difference in,		
Preliminary expenses written off	0.13	-
Depreciation	1.57	1.84
Provision for gratuity	29.08	(0.06)
Provision for encashment of leave	34.15	0.64
	64.93	2.42
SCHEDULE "I"		
INVENTORIES		
Finished goods (Stock of flats/shops/TDR) (lower of cost or net realisable value)	16,605.05	3,769.19
Stores and spares (at cost)	897.32	0.29
Food and beverages (at cost)	2.46	0.88
Work -in-progress (at cost)	673,775.18	548,516.80
	691,280.01	552,287.16
SCHEDULE "J"		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	2,279.51	5,038.81
Other Debts		
Unsecured, considered good	14,411.62	627.17
	16,691.13	5,665.98
SCHEDULE "K"		
CASH AND BANK BALANCES		
Cash on hand	101.15	122.14
Balances with scheduled banks:		
On current accounts	2,171.63	1,919.49
On deposit accounts	5,276.15	33,009.00
(Pledged as security for bank guarantee)		
	7,548.93	35,050.63
SCHEDULE "L"		
LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received :		
Advances for goods and services	2,482.63	3,342.01
Advances for land purchase	164,743.11	126,375.14
Loans to employees	23.67	8.75
Prepaid expenses	75.56	39.48
Deposits	3,433.73	514.05
Other receivable	13.72	-
Interest accrued on fixed deposit with bank	201.31	796.84
	170,973.73	131,076.27

schedules annexed to and forming part of consolidated balance sheet as on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "M"		
CURRENT LIABILITIES		
(a) Sundry Creditors		
- Micro, Small and Medium Enterprises	-	-
- Others	32,928.41	38,775.52
(b) Advances from customer	18,817.14	14,898.79
(c) Temporary overdraft from Bank	-	12.43
(d) Unpaid dividend	10.72	3.31
(e) Share application money refundable	10.31	16.28
(f) Other liabilities	12,780.30	1,264.03
(g) Interest accrued but not due on loans	543.53	2,661.44
	65,090.41	57,631.80
SCHEDULE "N"		
PROVISIONS		
Provision for fringe benefit tax	200.87	79.23
Provision for wealth tax	5.77	2.43
Provision for taxation	28,385.89	28,497.23
Less: Tax paid	27,027.55	19,134.63
	1,564.98	9,444.26
Proposed dividend	-	6,428.16
Dividend distribution tax	-	1,092.47
Provision for bonus	113.86	94.62
Provision for gratuity	76.79	41.52
Provision for encashment of leave	82.60	31.20
	1,838.23	17,132.23

schedules annexed to and forming part of consolidated balance sheet as on

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "O"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary expenses		
Balance as per last balance sheet	36.72	-
Add: Expenses incurred during the year	(36.33)	36.76
Less: Written off during the year	0.39	0.04
	-	36.72
Cost of increasing authorised share capital		
Balance as per last balance sheet	198.87	192.60
Add : Expenses incurred during the year	-	79.10
Less: Written off during the year	198.87	72.83
	-	198.87
Deferred revenue expenditure		
Balance as per last balance sheet	-	-
Add: Expenses incurred during the year	1,200.00	-
Less: Written off during the year	1,200.00	-
	-	-
Preoperative expenses		
Balance as per last balance sheet	6.90	-
Add: Expenses incurred during the year	-	8.62
Less: Written off during the year	6.90	1.72
	-	6.90
IPO expenses		
Balance as per last balance sheet	-	1,674.31
Add: Additions during the year	-	7,263.98
Less: Transferred to share premium account	-	8,938.29
	-	-
	-	242.49

schedules annexed to and forming part of consolidated profit and loss account for the year ended

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "P"		
TURNOVER		
Sale of commercial and residential units	30,622.66	35,355.58
Sale of development rights/FSI/TDR	141,306.38	202,651.76
Sale of land	612.00	-
Revenue from entertainment business	303.09	37.67
	172,844.13	238,045.01
SCHEDULE "Q"		
OTHER INCOME		
Rent and compensation - (T. D. S. Rs. 2,95,26,256/- P.Y. Rs. 8,91,53,744/-)	2,198.61	1,476.52
Dividend received (From Co-operative Bank)	4.87	2.63
Building maintenance	-	14.74
Flat cancellation	0.65	0.70
Interest on fixed deposits (T. D. S Rs. 10,37,70,459/- P.Y. 6,37,35,541/-)	1,593.41	2,672.70
Profit on sale of units of mutual funds	17.70	1,116.91
Miscellaneous receipts	674.13	0.01
Share of profit from partnership firm	7.77	0.99
Foreign exchange variation	8.62	-
Interest from partnership firm	892.56	-
	5,398.32	5,285.20
SCHEDULE "R"		
(INCREASE)/DECREASE IN STOCK-IN-TRADE		
Opening stock in trade	3,770.36	2,524.35
Closing stock in trade	17,504.83	3,770.36
	(13,734.47)	(1,246.01)
SCHEDULE "S"		
(INCREASE)/DECREASE IN WORK-IN-PROGRESS		
Opening work-in-progress	548,516.80	144,453.65
Closing work-in-progress	673,775.17	548,516.80
	(125,258.37)	(404,063.15)
SCHEDULE "T"		
COST OF CONSTRUCTION, DEVELOPMENT AND OPERATING EXPENSES		
Land	33,484.01	331,416.14
TDR	-	1,350.27
Tenancy rights	60,806.47	20,746.53
Construction materials and other expenses	74,932.89	116,832.62
Box office purchases and operating expenses	293.58	53.45
	169,516.95	470,399.01

schedules annexed to and forming part of consolidated profit and loss account for the year ended

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
SCHEDULE "U"		
EMPLOYEE'S REMUNERATION AND WELFARE EXPENSES		
Salary and welfare expenses	2,207.51	1,223.99
	2,207.51	1,223.99
SCHEDULE "V"		
ADMINISTRATIVE EXPENSES		
Sales promotion and advertisement expenses	3,041.52	1,137.14
Brokerage and commission	123.02	26.85
Electricity charges	102.17	46.49
Insurance charges	1.41	10.95
Repairs and maintenance to other assets	36.29	26.57
Other administrative expenses	1,019.32	493.89
Loss on sale of car	3.16	1.09
Printing and stationery	110.47	84.39
Travelling and conveyance expenses	1,646.41	497.15
Professional fees	265.38	614.29
Rent, rates and taxes	268.52	277.11
Stamping and registration	6.96	246.23
Communication expenses	184.74	144.07
Directors' remuneration and sitting fees	1,962.20	274.40
Remuneration to auditors	138.95	32.65
Donations	172.51	396.35
Filing fees paid to the ROC	0.49	0.46
	9,083.52	4,310.08
SCHEDULE "W"		
FINANCE EXPENSES		
Project specific interest	53,674.72	13,643.68
Other interest	5,817.36	433.69
	59,492.08	14,077.37

significant accounting policies and notes on consolidated account

SCHEDULE "X"

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009:

1. Basis of Preparation

- a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis and comply in all material respects with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c) Use of estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

2. Principles of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and joint venture (hereinafter together with the Company collectively referred to as 'the Group'). In the preparation of these consolidated financial statements, investments in subsidiaries and joint ventures have been accounted for in accordance with Accounting Standard (AS) 21 (Consolidated Financial Statements) and Accounting Standard (AS) 27 (Financial Reporting of Interests in Joint Ventures) respectively. The consolidated financial statements are prepared on the following basis:-

- a) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-Group balances and intra-Group transactions and also unrealized profits or losses, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- b) Interest in the assets, liabilities, income and expenses of the joint ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits/losses are eliminated to the extent of Company's proportionate share, except where cost cannot be recovered.
- c) The difference between the cost to the Group of investment in subsidiaries and joint ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- d) Minorities' interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements.
- f) An interest in jointly controlled entities which is acquired and held exclusively with a view to its subsequent disposal in the near/foreseeable future is accounted for as an investment in accordance with Accounting Standard (AS) 13, Accounting for Investment.

3. Fixed assets and depreciation

- a) Fixed Assets are capitalised at cost inclusive of expenses incidental thereto.
- b) In the case of following companies the depreciation on fixed assets has been provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

significant accounting policies and notes on consolidated account

- i) Housing Development and Infrastructure Limited
- ii) Privilege Power and Infrastructure Private Limited
- iii) HDIL Oil & Gas Private Limited
- iv) HDIL Leisure Private Limited
- v) HDIL Entertainment Private Limited
- c) In the case of following companies the depreciation on fixed assets has been provided on written down value (WDV) method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.
 - i) Blue Star Realtors Private Limited
 - ii) Mazda Estate Private Limited

4. Investments

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

5. Inventories

Inventories are valued as follows:

Inventory comprises of completed property for sale and projects in progress.

- (i) Completed property for sale and transferable development rights are valued at lower of cost or net realizable value. Cost includes cost of land, land development rights, materials, services, borrowing costs and other related overheads as the case may be.
 Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- (ii) Projects in progress are valued at cost. Cost includes cost of land, land development rights, materials, services, borrowing costs and other related overheads. Cost incurred/items purchased specifically for projects are taken as consumed as and when incurred/received.
- (iii) Inventory of stores and spares and food and beverages of entertainment verticle is valued at cost using FIFO method.

6. Revenue recognition

The Group follows completed project method of accounting ("Project Completion Method of Accounting"). Allocable expenses incurred during the year are debited to work-in-progress account. The income is accounted for as and when the projects get completed or substantially completed and then revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Sale:
 Unit in real estate:
 Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.
- b) Rent:
 Revenue is recognised on accrual basis.
- c) Interest:
 Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Dividends:
 Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.
- e) Share of profit - Partnership firms:
 Share of profit/(loss) from partnership firms is accounted for in respect of the financial year ending on or before the balance sheet date.
- f) Income from box office is recognised as and when the movie is exhibited. Income from food and beverages, is recognised at the point of sale on the counter. Income is net of refunds and complimentary issues.

significant accounting policies and notes on consolidated account

7. Borrowing cost

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

8. Employees retirement benefits

(i) Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Gratuity

Retirement gratuity liability of employees is a defined benefit obligation and reflects the actuarial valuation of the future gratuity liability.

(iii) Leave encashment

Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation as at the end of the year.

(iv) Actuarial Gains/Losses

Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

9. Income taxes

(i) Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the respective Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

(iii) At each balance sheet date, the respective Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(iv) MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The respective Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

10. Goodwill

Goodwill is tested for impairment on an annual basis. If on testing, any impairment exists, the carrying amount of goodwill is reduced to the extent of any impairment loss and such loss is recognised in the profit and loss account.

11. Earnings per share

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

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

significant accounting policies and notes on consolidated account

12. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on impairment of assets.

13. Foreign currency transaction

Foreign currency transactions are accounted at the rates prevailing on the date of transaction. Year end current assets and liabilities are translated at the exchange rate ruling on the date of Balance Sheet. Exchange differences on conversion are adjusted to;

- a) cost of fixed assets, if the same relates to acquisition of fixed assets.
- b) profit and loss account, if it relates to the monetary items.
- c) investment in shares of foreign company is expressed in Indian currency at rates of exchange prevailing at the time when original investment is made.

14. Segment reporting policies

The main business of the Company is real estate development and construction of residential and commercial properties, infrastructure facilities and all other related activities which revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting". The Company through its subsidiary companies have forayed into entertainment, hospitality, power and oil segment as well. Since their revenue/activities are not significant these are not reported separately.

15. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

16. Leases

- a) Where the respective Company is the lessee
 Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.
- b) Where the respective Company is the lessor
 Lease income is recognised in the profit and loss account on a straight-line basis over the lease term. Recurring costs are recognised as an expense in the profit and loss account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the profit and loss account.

B. OTHER NOTES:

1. Related party disclosure

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

Subsidiaries

Privilege Power and Infrastructure Private Limited
 HDIL Entertainment Private Limited
 Blue Star Realtors Private Limited
 Ravijyot Finance & Leasing Private Limited
 HDIL Oil & Gas Private Limited
 Excel Arcade Private Limited
 Mazda Estate Private Limited
 HDIL Leisure Private Limited

significant accounting policies and notes on consolidated account

Associates

Enterprise significantly influenced by key management personnel

Privilege Airways Private Limited

Privilege Industries Limited

Guruashish Construction Private Limited

Ravi Ashish Land Developers Limited

Joint Venture

D. S. Corporation

Fine Developers

Mahul Construction Corporation

B. Transactions with related party

(Rs. in lacs)

Nature of transaction	31st March 2009				31st March 2008			
	Associate	Joint Venture	Key Management Personnel	Total	Associate	Joint Venture	Key Management Personnel	Total
Loans/advances paid	1,054.48	-	-	1,054.48	572.16	-	-	572.16
Investment in partnership firm	-	(7,473.09)	-	(7,473.09)	-	3,119.45	-	3,119.45
Investment in equity/preference shares	-	-	-	-	72.95	-	-	72.95
Interest received	-	892.56	-	892.56	-	-	-	-
Lease rent received	1.50	-	-	1.50	-	-	-	-
Share of profit received	-	3.77	-	3.77	-	-	-	-
Directors remuneration	-	-	1,800.00	1,800.00	-	-	161.25	161.25
Salary paid	-	-	29.40	29.40	-	-	17.32	17.32
Development right/expenses	12,300.75	-	-	12,300.75	19,274.83	-	-	19,274.83
Dividend paid	-	-	-	-	-	-	701.22	701.22
Outstanding as at year end - Due from	12,912.50	14,312.96	-	27,225.46	-	14,889.52	-	14,889.52
Outstanding as at year end - Due to	144.48	-	-	144.48	-	-	-	-

C. Key management personnel

Name

Shri Rakesh Kumar Wadhawan

Shri Sarang Wadhawan

Shri K. P. Devassy

Shri Darshan Majmudar

Designation

Executive Chairman

Managing Director

Chief Financial Officer

Company Secretary

2. Remuneration to Auditors

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Audit fees	70.45	12.96
b) Taxation matters	28.50	8.81
c) Management consultancy	20.00	7.02
d) Other services	20.00	3.86
	138.95	32.65

significant accounting policies and notes on consolidated account

3. Managerial Remuneration

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Remuneration to Executive Chairman and Managing Director	1800.00	161.25
b) Commission to Non-Executive Directors	150.00	100.00
c) Sitting fees	12.20	13.15
	1962.20	274.40

4. The respective Company has adopted Accounting Standard 15 (Revised 2005) - Employee benefits ("AS-15"). Pursuant to adoption, the respective Company has determined the liability for gratuity and leave encashment in accordance with Revised AS-15.

A) Gratuity Plan:

- I) The AS-15 (Revised 2005) stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation.
- II) Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.

The following table set out the status of the gratuity plan as required under AS-15.

a) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
Obligations at period beginning	41.52	11.51
Interest cost @ 0.08	3.32	0.92
Current service cost	35.27	19.74
Benefits paid	-	-
Actuarial (gain)/loss on defined benefits obligation	(3.32)	9.35
Obligation at period end	76.79	41.52

b) Amounts to be recognised in the balance sheet

Present value of defined benefits obligation as on	76.79	41.52
Fair value of plan assets as on	-	-
Liability recognised in balance sheet	76.79	41.52

c) Gratuity cost for the period

Current service cost	35.27	19.74
Interest cost on obligation	3.32	0.92
Expected return on plan assets	-	-
Net actuarial (gain)/loss	(3.32)	9.35
Expense recognised in the statement of profit and loss	35.27	30.01

B) Leave encashment liability:

- I) The AS-15 (Revised 2005) stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation.
- II) Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.

significant accounting policies and notes on consolidated account

The following table set out the status of the leave encashment plan as required under AS -15.

a) Reconciliation of opening and closing balance of the present value of the defined benefit obligation:

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
Obligations at period beginning	31.21	23.64
Interest cost @ 0.08	2.49	1.89
Current service cost	35.70	8.72
Benefits paid	-	-
Actuarial (gain)/loss on defined benefits obligation	13.20	(3.04)
Obligation at period end	82.60	31.21

b) Amounts to be recognised in the balance sheet

Present value of Defined benefits obligation as on	82.60	31.21
Fair value of plan assets as on	-	-
Liability recognised in balance sheet	82.60	31.21

c) Leave Encashment cost for the period

Current service cost	35.70	8.72
Interest cost on obligation	2.49	1.89
Expected return on plan assets	-	-
Net actuarial (gain)/loss	13.20	(3.04)
Expense recognised in the statement of profit and loss	51.39	7.57

C) Valuation Assumptions

Considering the above stipulation in the case of gratuity and leave encashment, the following assumptions have been made.

- i) Mortality : LIC (1994-96) Ultimate
- ii) Discount Rate : 8 percent
- iii) Salary Growth : 7 percent per annum
- iv) Withdrawals : 2 percent in the age range up to 35 years, decreasing thereafter to 1 percent up to age 45 and to 1/2 percent for higher ages
- v) Retirement age : 60 years

5. Capital commitments

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	754.93	401.25

6. Contingent Liabilities not provided for

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Claims against the Company not acknowledged as debts represented a suit filed by a party in the High Court, Bombay and disputed by the Company		
(i) Relating to failure to handover multiplex premises.	3,737.79	3,737.79
(ii) Other matters	6,317.00	-
	10,054.79	3,737.79

significant accounting policies and notes on consolidated account

In the opinion of the management the above claims are not sustainable.

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
b) Guarantees provided by the bank	2,938.65	2,915.00
c) Letter of credits provided by the bank	Nil	404.72
d) Against demand promissory note executed as security for performance	27,500.00	Nil

7. Supplementary statutory information

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
i) Earnings in foreign currency	NIL	NIL
ii) Expenditure in foreign currency		
- Professional fees	NIL	306.12
- Other matters	196.95	1167.42
iii) Value of imports calculated on CIF basis		
- Capital goods	69.20	5.34
- Construction materials and other expenses	57.15	1830.62

8. Licensed capacity, installed capacity, etc.

With regard to clause 3(ii) of Part II of Schedule VI to the Companies Act, 1956, the Company is of the view that in respect of its real estate operations, the Company does not fall under the category of Clause 3(ii)(a) "Manufacturing Company" or Clause 3(ii)(b) "Trading Company" or Clause 3(ii)(c) "Company rendering or supplying services", but falls under the category of "Other Companies" as given in Clause 3(ii)(e). As such, quantitative data for opening stock, purchases and closing stock have not been given.

9. Secured loans:

Secured loans are received only by the holding company and the particulars of the same are given in Note No. 12 of notes to account of the holding company.

10. Investment in partnership firms:

The holding Company has interest in various partnership firms and details regarding such interest is appearing in the Note No. 13 to notes to accounts of the holding company.

11. Earning per share has been computed as under:

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
a) Profit after taxation	78,708.22	141,048.28
b) Weighted average number of shares used in computing earnings per share	275492676	262057932
c) Basic and Diluted Earnings per share	28.57	53.82
d) Nominal value per equity share is Rs. 10/-		

significant accounting policies and notes on consolidated account

12. Micro, Small and Medium Enterprises

Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the respective Company and the required disclosures are given below:

	31-Mar-2009 (Rs. in lacs)	31-Mar-2008 (Rs. in lacs)
i) Principal amount remaining unpaid on 31st March, 2009	-	-
ii) Interest due thereon as on 31st March, 2009	-	-
iii) Interest paid by the respective Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year	-	-
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
v) Interest accrued and remaining unpaid as at 31st March, 2009	-	-
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

13. The consolidated results for the year ended 31st March, 2009 are not comparable with the previous year, due to change in Investments in subsidiary Company during the year. Two new subsidiary companies viz. Mazda Estate Private Limited and Excel Arcade Private Limited are added whereas there is delinking of Investment in subsidiary company viz. HDIL Infra Projects Private Limited.

14. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the previous year are included as an integral part of the current year's financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached

For THAR & CO.

Chartered Accountants

Jayesh R. Thar

(Proprietor)

Membership No. 032917

Place: Mumbai

Date: 23rd May, 2009

For and on behalf of the Board of Directors

Rakesh Kumar Wadhawan

Executive Chairman

K. P. Devassy

Chief Financial Officer

Sarang Wadhawan

Managing Director

Darshan Majmudar

Company Secretary

Housing Development and Infrastructure Limited
Registered Office: 9-01, Dheeraj Arma, Anant Kanekar Marg, Bandra (E), Mumbai - 400 051.

ATTENDANCE SLIP
13th Annual General Meeting

I hereby record my presence at the 13th Annual General Meeting of the Company held on Friday, 4th day of September, 2009 at 10.00 a.m. at National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

.....
 Name of the Shareholder/Proxy (IN BLOCK LETTERS)

.....
 Signature of Shareholder/Proxy

Folio No.

DP ID No.

Client ID No.

No. of Shares

NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance, duly signed.

Housing Development and Infrastructure Limited
Registered Office: 9-01, Dheeraj Arma, Anant Kanekar Marg, Bandra (E), Mumbai - 400 051.

PROXY FORM
13th Annual General Meeting

I/We of

..... being member/members of

Housing Development and Infrastructure Limited hereby appoint

of or failing

him/her of

..... as my/our proxy to vote for me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held on Friday, 4th day of September, 2009 at 10.00 a.m. at National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 and at any adjournment(s) thereof, if any.

Signed this..... day of 2009.

Signature of Shareholder Re. 1/-
Revenue
Stamp

Folio No.

DP ID No.

Client ID No.

No. of Shares

NOTE: The Proxy completed in all respect must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.

Enhancing Mumbai's Skyline



