



Telephone : 2202 3626

2282 0943

Fax : 2202 5160

## THE HINDUSTAN HOUSING COMPANY LIMITED

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

CIN:- L45200MH1934PLC002346

[www.hhelbajaj.com](http://www.hhelbajaj.com)

4<sup>th</sup> September, 2020

To,  
The Department of Corporate Services,  
BSE Ltd.,  
1<sup>st</sup> floor, New Trading Ring,  
Rotunda Building,  
P.J. Towers, Dalal Street,  
Fort, Mumbai - 400-001.

Dear Sir,

Re: Security Code No. 509650

Sub: Annual Report for the Financial Year 2019-2020

We are enclosing herewith Annual Report of our Company for the Financial Year 2019-2020 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for your information and records.

We hope you will find the same in order.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
For **The Hindustan Housing Company Ltd.**

(Bhushan Koli)  
Company Secretary

Encl.: as above

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**THE  
HINDUSTAN HOUSING  
COMPANY LIMITED**



**84<sup>th</sup> Annual Report  
2019-2020**

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# THE HINDUSTAN HOUSING COMPANY LIMITED

CIN : L45200MH1934PLC002346

## 84<sup>th</sup> ANNUAL REPORT 2019 - 2020

### BOARD OF DIRECTORS

Vinod Nevatia - Chairman  
Minal Bajaj - Executive Director  
Rakesh Gupta - Director  
Nikhil Tarkas - Director

### KEY MANAGERIAL PERSONNEL

Vijay Bohra, Chief Financial Officer  
Bhushan Ashok Koli - Company  
Secretary

### STATUTORY AUDITOR

K.K. Mankeshwar & Co., Chartered  
Accountants

### SECRETARIAL AUDITOR

Swati Nerurkar & Co.

### BANKER

Central Bank of India

### REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.

Registered Office Address:  
E-2/3, Ansa Industrial Estate,  
Saki-Vihar Road, Saki Naka,  
Andheri (E), Mumbai -400072

Corporate Office Address:  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments,  
Next to Keys Keys Hotel, Marol Maroshi  
Road,  
Andheri (E), Mumbai - 400059

### REGISTERED OFFICE

Bajaj Bhawan, 2<sup>nd</sup> Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021

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

## NOTICE

**NOTICE** is hereby given that the Eighty-Fourth Annual General Meeting of the Members of The Hindustan Housing Company Ltd. will be held on Wednesday, **30<sup>th</sup> September, 2020 at 3.00 p.m.** at the Registered Office of the Company at Bajaj Bhawan, 2<sup>nd</sup> Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai- 400-021, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Minal Bajaj (DIN: 00222469) who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

3. **Appointment of Nikhil Tarkas (DIN: 00338087) as a Director of the Company :**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149(1), 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any statutory modifications thereof, Nikhil Tarkas (DIN: 00338087) who was appointed as an Additional Director (Non-Executive Non-Independent) of the Company with effect from 3<sup>rd</sup> February, 2020 and who vacates his office at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, whose period of office shall be liable to determination by retirement by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Nikhil Tarkas be paid such fees by way of remuneration for attending the meetings of the Board or any Committees thereof as may be decided by the Board of Directors of the Company from time to time and subject to such limit as have been prescribed or may be prescribed in this behalf from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and cause to be done all such acts, deeds matters and things as it may, in its absolute discretion deem it to be

necessary, proper or expedient and to take all such steps as may be necessary to give effect to this Resolution.”

#### NOTES:

1. Pursuant to the provisions of Section 91 of the Act, the Register of Members of the Company will remain closed from 23<sup>rd</sup> September, 2020 to 30<sup>th</sup> September, 2020.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of members up to and not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.

3. The Proxy Forms in order to be valid and effective should be deposited at the Registered Office of the Company not less than Forty-eight (48) hours before the commencement of the Meeting.
4. The Company is maintaining, inter-alia, the following statutory registers at its registered office at Nariman Point, Mumbai-400-021 :
  - (a) Register of Contracts or Arrangements in which the Directors of the Company are interested under Section 189 of the Act and
  - (b) Register of Directors and Key Managerial Personnel and their Shareholdings in the Company under Section 170 of the Act.

The said Registers are open for inspection by the members at the registered office of the Company during business hours on all working days till the date of the annual general meeting and will remain open for inspection to any member during the continuance of the meeting.

5. Brief details of the Director who is seeking re-appointment are annexed hereto as per the requirements of Regulation 36(3) of the SEBI Listing Regulations and as per the provisions of the Act.
6. Explanatory Statement pursuant to Section 102 of the Act is annexed hereto and forms part of this Notice.
7. Members are requested to notify the change in their address, if any, to the Company or the Registrar and Share Transfer Agents viz. Bigshare Services Pvt. Ltd. immediately.

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

Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No. They are also requested to bring their copies of the Annual Report to the meeting.

12. In line with the Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA), the Notice calling the AGM has been uploaded on the website of the Company at [www.hhclbajaj.com](http://www.hhclbajaj.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (the agency appointed by the Company for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

13. Having regard to the exigent circumstances and Circular No. 40-3/2020-DM-1(A) dated 29<sup>th</sup> August 2020 issued by the Ministry of Home Affairs, Government of India, all attendees to the Meeting shall be required to comply with the National Directives for COVID-19 and the guidelines stipulated in the said Circular dated 29<sup>th</sup> August 2020 or any amendment thereto or updation thereof, including but not limited to, mandatory wearing of face covering/face mask, undergoing thermal screening, hand washing or sanitizing and maintaining social distancing norms (minimum of 6 feet) at the meeting. The Company will comply with, all and singular, the aforesaid guidelines for conducting a physical meeting of the members.
14. In terms of Sections 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc. by electronic mode. Pursuant to the said provisions of the Act read with the MCA Circulars, Notice of the AGM along with the Annual Report for the FY 2019-2020 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the FY 2019-2020 will also be available on the Company's website at [www.hhclbajaj.com](http://www.hhclbajaj.com), website of the Stock Exchange i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and on the website of Bigshare at [www.bigshareonline.com](http://www.bigshareonline.com).
15. **Voting through Electronic Means**

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the SEBI Listing Regulations, 2015 the Company is providing facility to exercise votes on the items of business given in the Notice through remote electronic voting system to members holding shares as on **23<sup>rd</sup> September, 2020** (End of Day) being the Cut-off date (Record Date for the purpose of Rule 20 (2) (ii) of the Rules) fixed for determining the voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Central Depository Services Ltd. (CDSL). For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-Voting agency.

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

- (i) The voting period begins on **27<sup>th</sup> September, 2020 at 9.00 a.m. and ends on 29<sup>th</sup> September, 2020 at 5.00 p.m.** During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of **23<sup>rd</sup> September, 2020**, may

cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's

EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat

form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for **THE HINDUSTAN HOUSING COMPANY LTD.**
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xix) **Note for Non - Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [swati@swatinerurkar.com](mailto:swati@swatinerurkar.com) and [bhushan@bajajgroup.net.in](mailto:bhushan@bajajgroup.net.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xx) The voting period begins **27<sup>th</sup> September, 2020 at 9.00 a.m. and ends on 29<sup>th</sup> September, 2020 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **23<sup>rd</sup> September, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

Members may fill in the Ballot Forms (in lieu of remote E-voting), enclosed with the Notice and submit the same in a sealed envelope to the Scrutinizer, **M/s Swati Nerurkar & Co., Company Secretaries, (ACS No. 18110 CP No. 8193), C/o Bigshare Services Pvt. Ltd., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400-059** or to her email: [swati@swatinerurkar.com](mailto:swati@swatinerurkar.com), so as to reach by 5.00 p.m. on **29<sup>th</sup> September, 2020**. Ballot Forms received thereafter will strictly be treated as if not received. Unsigned, incomplete, or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

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

**General Instructions:-**

- (1) The Company has appointed **M/s Swati Nerurkar & Co., Company Secretaries, (ACS No. 18110, CP No. 8193),** having address as **A/803, Trishla Tower, Ram Mandir Road, Vazira Naka, Borivali (West), Mumbai- 400-092** as the Scrutinizer to the e-voting process, (including voting through Ballot

Form received from the Members), to scrutinize the same in a fair and transparent manner.

- (2) The Scrutinizer shall, after the closure of remote E-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (3) In the event of a poll, please note that the members who have exercised their right to vote by electronic means/through ballot form as above shall not be eligible to vote by way of poll at the Meeting. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- (4) The members who have not exercised their right to vote through remote E-voting, and have not submitted Ballot Forms (in lieu of E-voting) so as to reach the Scrutinizer before 5.00 p.m. on 29<sup>th</sup> September, 2020, will be given Ballot papers to cast their vote at the venue of the AGM.
- (5) The Scrutinizer shall submit her report to the Chairman, who shall declare the result of the voting. The results declared along with the Scrutinizers' Report shall be placed on the Company's website [www.hhclbajaj.com](http://www.hhclbajaj.com) and on the website of Bigshare - [www.bigshareonline.com](http://www.bigshareonline.com) within two days of the passing of the resolutions at the 84<sup>th</sup> Annual General Meeting of the Company and shall also be communicated to BSE Ltd.

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

Bhushan Koli  
Company Secretary  
(ACS : 43627)

Mumbai: 31<sup>st</sup> August, 2020

Note: This Notice has been issued pursuant to the authority conferred on the Company Secretary by the Board of Directors of the Company at its Meeting held on 30<sup>th</sup> June 2020.

## ANNEXURE TO THE NOTICE

### Item No. 2 of the Notice

#### **BRIEF RESUME OF MINAL BAJAJ SEEKING RE-APPOINTMENT AS A DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING**

**Minal Bajaj (DIN: 00222469)**

As regards to the re-appointment of Minal Bajaj referred to in Item No. 2 of the Notice, following necessary disclosures are made for the information of the members:

#### **Information about the appointee**

Minal Bajaj (DIN: 00222469) is a Whole-Time Director of the Company and designated as an Executive Director with effect from 1<sup>st</sup> June 2019.

Minal Bajaj, 60 years, has completed her education in Kolkata. She was the President of the Ladies Wing of Indian Merchants' Chamber (IMC) during the Centenary Year of IMC in the Year 2007-2008. She is the Hon. Director of Jamnalal Bajaj Foundation since the Year 2009.

She is also the Founder and Hon. Director of Hamaara Sapna, an initiative of the Jamnalal Bajaj Sewa Trust, which is engaged in the empowerment and upliftment of women since the Year 2012.

#### **Other Directorships:**

1. Hind Musafir Agency Ltd.
2. Niraj Holdings Pvt. Ltd.
3. Baroda Industries Pvt. Ltd.
4. 11 Sports Pvt. Ltd.

**Committee Chairmanships** : Nil

**Committee Memberships** : Audit Committee  
Nomination & Remuneration Committee

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 20<sup>th</sup> May, 2019, had appointed Minal Bajaj as a Whole-time Director of the Company designated as an Executive Director with effect from 1<sup>st</sup> June, 2020. Her appointment was also approved by the members at the Eighty Third AGM of the Company held on 30<sup>th</sup> August, 2020 and the period of her office is liable to determination by retirement by rotation.

Minal Bajaj is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and she will not be eligible for payment of sitting fee as payable to other non-executive directors of the Company for attending the meetings of the Board or any Committees thereof from time to time.

Pursuant to SEBI Direction dated 14<sup>th</sup> June, 2018 to the Stock Exchange and based on the declaration received from her, Minal Bajaj is not debarred from being appointed as a director of the Company by virtue of any order passed by SEBI/Ministry of Corporate Affairs or any other statutory or regulatory authority.

The Board is of the opinion that the said Director possesses requisite skills, experience and knowledge relevant to the Company's business and it would be of immense benefit to the Company to reappoint her as a Director of the Company.

She was paid remuneration from 1<sup>st</sup> June, 2019 onwards in accordance with the terms of her appointment approved by the Board of Directors of the Company at its meeting held on 20<sup>th</sup> May, 2019 and by the Members of the Company at the 83<sup>rd</sup> Annual General Meeting held on 30<sup>th</sup> August, 2019. However she was not paid any sitting fees, after her appointment as an Executive Director of the Company with effect from 1<sup>st</sup> June, 2019.

She is not related to any of the directors or key managerial personnel of the Company.

None of the directors or key managerial personnel or their relatives, except Minal Bajaj, is directly or indirectly concerned or interested, financially or otherwise in the said resolution except to the extent of their respective shareholdings, if any, in the Company.

The Board commends the ordinary resolution set out in Item No. 2 of the Notice for approval by the shareholders.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE ACT & REGULATION 36(3) OF THE SEBI LISTING REGULATIONS**

##### **Item No. 3 of the Notice**

**Nikhil Tarkas (DIN: 00338087)**

##### **Brief Resume:**

Nikhil Tarkas is a Commerce graduate from Mumbai University He is an Associate Member of the Institute of Company Secretaries of India, New Delhi.

He is presently working as the Company Secretary of Bajaj Sevashram Private Limited.

He has more than 45 years of corporate experience in handling and looking after the secretarial, legal and taxation of several companies.

He is director in several private companies. He is also associated with an educational and a charitable institution.

**Other Information about the appointee:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Nikhil Tarkas (DIN: 00338087) as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 3<sup>rd</sup> February, 2020, to hold office upto the date of the ensuing Annual General Meeting.

The Board of Directors of the Company has also appointed Nikhil Tarkas as a member of the Audit Committee and Nomination and Remuneration Committee of the Company with effect from 3<sup>rd</sup> February, 2020.

In respect of the appointment of the aforesaid Director, a notice in writing in the prescribed manner as required under Section 160 of the Act and the Rules made there under has been received by the Company, regarding the candidature of Nikhil Tarkas for the office of a Director.

The aforesaid Director has given his consent for his appointment as a Director of the Company.

Pursuant to SEBI Direction dated 14<sup>th</sup> June, 2018 to the Stock Exchange and based on the declaration received from him, Nikhil Tarkas is not debarred from being appointed as a director of the Company by virtue of any order passed by SEBI / Ministry of Corporate Affairs or any other statutory or regulatory authority.

The Board is of the opinion that the said Director possesses requisite skills, experience and knowledge relevant to the Company's business and it would be of immense benefit to the Company to continue to have his association with the Company as a Director of the Company.

Except for payment of sitting fees, he did not receive any other remuneration from the Company during the FY 2019-2020. He will be eligible for payment of sitting fees as payable to other non-executive directors of the Company for attending the meetings of the Board or any Committees thereof from time to time, in accordance with the Remuneration Policy of the Company.

**Other Directorships:**

1. Catalyst Finance Pvt. Ltd.
2. Primus Investment and Finance Pvt. Ltd.
3. Rapidkart Online Pvt. Ltd.
4. Simply Cheqit Pvt. Ltd.
5. Lazytech Online Pvt. Ltd.
6. Applied Optical Technologies Pvt. Ltd.

**Committee Chairmanships:** Nil

**Committee Memberships:**

- Audit Committee
- Nomination & Remuneration Committee

**Shareholding in the Company:** He does not hold any equity shares of the Company as on date.

He is not related to any of the directors or key managerial personnel of the Company.

None of the directors or key managerial personnel or their relatives, except Nikhil Tarkas, is directly or indirectly concerned or interested, financially or otherwise in the said resolution except to the extent of their respective shareholdings, if any, in the Company.

The Board commends the ordinary resolution set out in Item No. 3 of the Notice for approval by the shareholders.

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

**Bhushan Koli**  
Company Secretary  
(ACS : 43627)

Mumbai: 31<sup>st</sup> August, 2020

Note: This Notice has been issued pursuant to the authority conferred on the Company Secretary by the Board of Directors of the Company at its Meeting held on 30<sup>th</sup> June 2020.

## Directors' Report

Your Directors present the Eighty-Fourth Annual Report and Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020.

1. **Financial Results:**

(Amount in Lakhs)

Particulars	FY 2019-2020	FY 2018-2019
Revenue from Operations & Other Income	549.60	500.56
Gross Profit before Finance Cost & Depreciation	238.44	185.11
Less : Finance Cost	9.12	8.37
Less : Depreciation	35.45	29.61
Profit/(Loss) before Tax	193.87	147.13
Less: Provision for Tax Expenses	31.11	28.47
Profit/(Loss) after Tax	162.76	118.66
Add : Other Comprehensive Income	(628.48)	307.08
Add: Balance in Profit & Loss Account	2342.17	1916.44
Balance available for Appropriation	1876.45	2342.18
Amount transferred to General Reserve	0	0
Earnings Per Share – Basic & Diluted	672.54	490.34

2. **Dividend:**

The Board of Directors of the Company do not recommend payment of any dividend on Equity Shares of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020.

3. **Transfer to Reserves:**

The Board of Directors of the Company has decided not to transfer any amount to the Reserves for the year under review.

4. **Operations of the Company:**

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

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

The global outbreak of Coronavirus (Covid-19) pandemic is clearly concerning and the Board of Directors are monitoring the developments very closely. The safety and well-being of the employees has been the overriding priority. The Company ensured that all employees immediately moved to work from home. Moreover, employees were advised to strictly follow the lockdown guidelines issued by the Central and State Government as well as the Local Municipalities.

There was no material adverse impact on the operations of the Company for the financial year ended on 31<sup>st</sup> March, 2020 due to the disruption of the economic and business activities caused by the complete lockdown declared by the Central and the State Government.

The situation is still evolving and the Company will be focusing on profitability over growth seeking to conserve cash, strengthening collections and reducing overheads.

5. **Share Capital:**

The paid up Equity Share Capital of the Company was Rs. 6,08,645/- as on 31<sup>st</sup> March, 2020. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options during the year.

6. **Extract of Annual Return:**

An extract of the Annual Return as on 31<sup>st</sup> March, 2020 as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed Form MGT- 9 is annexed to this Report as **Annexure-A** and is also placed on the Company's website [www.hhclbajaj.com](http://www.hhclbajaj.com).

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

During the year, 5 (Five) meetings of the Board of the Directors of the Company were convened and held.

8. **Directors' Responsibility Statement:**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made therefrom;

- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended as at 31<sup>st</sup> March, 2020 and of the profit of the Company for the said period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis ;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. **Details in respect of frauds reported by Auditors under Section 143(12):**

During the year under review, there were no frauds reported by the Statutory Auditors or Secretarial Auditor to the Audit Committee or the Board of Directors under Section 143(12) of the Companies Act, 2013.

10. **Declaration of Independence:**

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

The Ministry of Corporate Affairs vide its Notification dated 22<sup>nd</sup> October 2019 and further amendments issued by it from time to time, amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an independent director to apply online, within 10 months commencing from 1<sup>st</sup> December, 2019 , to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any company. The independent directors were also required to submit a declaration of compliance in this regard. Both the Independent Directors of the Company have submitted their declarations with respect to the same.

11. **Remuneration Policy:**

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

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

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

13. **Related Party Transactions:**

There were no related party transactions entered into by the Company during the financial year which attracted the provisions of Section 188 of the Companies Act, 2013 as all related party transactions that were entered into by the Company during the year were on an arm's length basis and were in the ordinary course of the Company's business. Hence there are no transactions which are required to be disclosed in Form AOC-2.

14. **Material Changes and Commitments:**

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

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

The Company being a Service Company and not having carried out any manufacturing activities during the year under review, and hence the Directors have nothing to report on 'Conservation of Energy' 'Research & Development' and 'Technology Absorption' as required to be given under the provisions of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

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

Hence, Disclosures pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, are not applicable to the company during the year under review.

16. **Deposits:**

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

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

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

18. **Risk Management Policy:**

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

19. **Corporate Social Responsibility:**

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

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

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

- Performance Evaluation Criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting held on 27th March, 2015.
- Based on the said criteria, Annual Rating sheets were filled by each of the Directors with regard to evaluation of performance of the Board,

its Committees and Directors (except for the Director being evaluated) for the year under review.

- A consolidated summary of the Ratings given by each of the Directors was then prepared, based on which a Report of performance evaluation was prepared by the Chairman of the Nomination & Remuneration Committee in respect of the performance of the Board, its Committees and Directors during the year under review.
- The Report of performance evaluation so arrived at was then noted and discussed by the Nomination & Remuneration Committee and Board at their respective meetings held on 30<sup>th</sup> June, 2020.

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

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

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

A. **Changes in Directors**

I. **Cessation of Director :**

- (a) Vinaya Mehrotra (DIN: 00038732), the Non-Executive Independent Director whose first term of five years as an Independent Director of the Company expired on 4<sup>th</sup> February, 2020, had expressed his desire not to continue as an Independent Director of the Company for another term of five years, due to his age and health reasons. He has accordingly ceased to be a Director of the Company with effect from the close of the business hours of the Company on 4<sup>th</sup> February, 2020 on the expiry of his first term of five years as an Independent Director of the Company.

The Board recorded its sincere appreciation for his invaluable guidance, services and mentorship during his long association with the Company.

II. **Appointment / Re-appointment of Directors:**

- (a) Minal Bajaj, Executive Director of the Company, retires by rotation and being eligible offers herself for re-appointment. The Board of Directors of the Company recommends her reappointment.
- (b) In view of his imminent retirement due to the expiry of his first term of five years of Vinaya Mehrotra as an Independent Director of the Company with effect from 4<sup>th</sup> February, 2020, the Board of Directors

of the Company elected/appointed Vinod Nevatia as the new Chairman of the Board of Directors of the Company with effect from 5<sup>th</sup> February, 2020.

- (c) Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 3<sup>rd</sup> February, 2020 appointed Nikhil Tarkas (DIN: 00338087) as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 3<sup>rd</sup> February, 2020, to hold office upto the date of this Annual General Meeting of the Company.

**B. Changes in Key Managerial Personnel:**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 19<sup>th</sup> September, 2019, appointed Bhushan Koli as the Company Secretary and Compliance Officer of the Company with effect from 1<sup>st</sup> October, 2019 in place and stead of Pradeep Dhruva, who ceased to be the Company Secretary and Compliance Officer of the Company with effect from the close of business hours of the Company on 30<sup>th</sup> September, 2019 on account of his retirement from the services of the Company.

Except as stated hereinabove, there was no other change in the Directors and Key Managerial Personnel during the year under review.

23. **Board of Directors:**

**Composition:**

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

As on 31<sup>st</sup> March, 2020, the Board of Directors of the Company consisted of Four Directors, of whom two were Non-Executive Independent Directors, one Executive Woman Director and one Non-Executive Non-Independent Director as per details given in the table below. The Board has no Institutional Nominee Directors. The Company has a Non-Executive Chairman.

Sr.No.	Name of the Director	Category
1	Vinod Nevatia	Chairman, Non-Executive & Independent
2	Rakesh Gupta	Non-Executive & Independent
3	Minal Bajaj	Executive
4	Nikhil Tarkas	Non-Executive & Non-Independent

### **Number of Meetings:**

During the FY 2019-2020, the Board met 5 (five) times, viz. 20<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 19<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019 and 3<sup>rd</sup> February, 2020 . The gap between any two meetings has been less than one hundred and twenty days

## **24. Board Committees:**

### **(a) Audit Committee**

Pursuant to the Section 177 of the Companies Act, 2013, an Audit Committee was constituted by the Board of Directors at its meeting held on 5<sup>th</sup> February, 2015 and subsequent amendments made in the constitution of the Audit Committee at Board Meetings held on 13<sup>th</sup> August, 2019 and 3<sup>rd</sup> February, 2020 with the following members:

- |    |               |            |
|----|---------------|------------|
| a) | Vinod Nevatia | (Chairman) |
| b) | Rakesh Gupta  | (Member)   |
| c) | Minal Bajaj   | (Member)   |
| d) | Nikhil Tarkas | (Member)   |

In view of the retirement of Vinaya Mehrotra as a Director of the Company with effect from 4<sup>th</sup> February, 2020, Vinod Nevatia was appointed as the new Chairman of the Audit Committee in place and stead of Vinaya Mehrotra with effect from 5<sup>th</sup> February, 2020.

Rakesh Gupta and Nikhil Tarkas were admitted as members of the Committee with effect from 1<sup>st</sup> September, 2019 and 3<sup>rd</sup> February, 2020 respectively.

### **Number of Meetings:**

During the FY 2019-2020, the Board met 4 (four) times, viz. 20<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 3<sup>rd</sup> February 2020. The gap between any two meetings has been less than one hundred and twenty days.

### **Vigil Mechanism**

Pursuant to the Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 a Vigil Mechanism Policy had been framed and revised by the Board at its meeting held on 30<sup>th</sup> June, 2020. The policy is placed on the website of the Company [www.hhclbajaj.com](http://www.hhclbajaj.com).

**(b) Nomination and Remuneration Committee**

Pursuant to the Section 178 of the Companies Act, 2013, a Nomination and Remuneration Committee was constituted by the Board at its meeting held on 5<sup>th</sup> February, 2015 and subsequent amendments made in constitution of Nomination and Remuneration Committee at Board Meetings held on 13<sup>th</sup> August, 2019 and 3<sup>rd</sup> February, 2020 with the following members:

- |    |               |            |
|----|---------------|------------|
| a) | Rakesh Gupta  | (Chairman) |
| b) | Vinod Nevatia | (Member)   |
| c) | Minal Bajaj   | (Member)   |
| d) | Nikhil Tarkas | (Member)   |

Rakesh Gupta was admitted as a member of the Committee with effect from 1<sup>st</sup> September, 2019. In view of the election/appointment of Vinod Nevatia as the new Chairman of the Board of Directors of the Company with effect from 5<sup>th</sup> February, 2020, Rakesh Gupta was appointed as the new Chairman of the Nomination and Remuneration Committee in place and stead of Vinod Nevatia with effect from 5<sup>th</sup> February, 2020.

Nikhil Tarkas was admitted as a member of the Committee with effect from 3<sup>rd</sup> February, 2020.

**Number of Meetings:**

During the FY 2019-2020, the Board met 3 (three) times, viz. 20<sup>th</sup> May 2019, 19<sup>th</sup> September 2019 and 3<sup>rd</sup> February 2020.

25. **Presentation of Financial Results:**

The financial results of the Company for the financial year ended on 31<sup>st</sup> March, 2020 have been disclosed as per Schedule III to the Companies Act, 2013.

26. **Indian Accounting Standards, 2015:**

The annexed financial statements comply in all material aspects with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

27. **Statutory Disclosures:**

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

- (a) The Company pays remuneration to its Executive Director. The Company does not pay any remuneration to its Directors except payment of sitting fees for attending meetings of the Board of Directors and its Committees as a member thereof. However the Executive Director is not entitled to payment of any sitting fees for attending any of the meetings of the Board of Directors and its Committees as a member thereof.
- (b) The Company does not pay any remuneration to its CFO as he has been taken on deputation from a Group Company.
- (c) The Company did not have any employee whose particulars are required to be given by it under Rule 5(2) and 5(3) of the aforesaid Rules.
- (d) The details of the remuneration paid by the Company to the employees during the financial year as required to be given under the provisions of Section 197 (12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as **Annexure-B**.

A Cash Flow Statement of the Company for the Financial Year 2019-2020 is attached to the Balance Sheet.

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

Pursuant to the provisions of Regulation 34 and Schedule V of the SEBI Listing Regulations, a Report on Management Discussion and Analysis is annexed to this Report as **Annexure-C**.

28. **Corporate Governance:**

As per Regulation 15 under Chapter IV of the SEBI Listing Regulations, provisions relating to Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V do not apply to the Company as the paid up equity share capital of the Company did not exceed Rs.10 crores and the Net Worth of the Company did not exceed Rs. 25 crores as on 31<sup>st</sup> March, 2020.

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

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There was no complaint reported during the year under review.

30. **Investor Education and Protection Fund (IEPF)**

**A. Details of the transfer/s to the IEPF, if any, made during the year as mentioned below :**

- i) amount of unclaimed/unpaid dividend and the corresponding shares : Not Applicable;
- ii) details of the resultant benefits arising out of shares already transferred to the IEPF : Not Applicable;
- iii) year wise amount of unpaid/unclaimed dividend lying in the unpaid account upto the Year and the corresponding shares, which are liable to be transferred to the IEPF, and the due dates for such transfer : There were no unpaid/unclaimed dividend lying in the unpaid account upto the end of the financial year on 31<sup>st</sup> March, 2020. However, the following equity shares corresponding to the unpaid/unclaimed dividends which have been already transferred by the Company to the IEPF in the previous years, are liable to be transferred by the Company to the IEPF:

Sr. No.	Financial Year	No. of Equity Shares corresponding to the Unclaimed/Unpaid Dividends which have already been transferred to the IEPF
1	FY 2001-2002	351
2	FY 2002-2003	559
3	FY 2003-2004	253
4	FY 2004-2005	100
5	FY 2006-2007	40
<b>Total</b>		<b>1,303</b>

**B. Details of the Nodal Officer**

The Board appointed Vijay Bohra, CFO as the Nodal Officer with effect from 1st October, 2019 for verification of claims and coordination with the Investor Education and Protection Fund Authority.

The details of the Nodal Officer are available on the Company's website [www.hhclbajaj.com](http://www.hhclbajaj.com).

31. **Transfer of Shares to Unclaimed Suspense Account :**

Pursuant to the provisions of Regulation 39(4) of the SEBI Listing Regulations, 2015 read with Schedule VI thereto, the Company had transferred 717 Unclaimed Bonus Equity Shares of 23 shareholders of the Company, in electronic form to the beneficiary account titled "The Hindustan Housing Company Limited - Unclaimed Suspense Account with Stock Holding Corporation of India Ltd. in November, 2018.

Since then and during the year under review i.e. FY 2019-2020, no shareholders have approached the Company for transfer of shares from the aforesaid suspense account.

Hence the aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year remain the same as stated hereinabove.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

32. **Secretarial Standards of ICSI:**

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

33. **Auditors:**

**(a) Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the Members of the Company at the 80<sup>th</sup> Annual General Meeting of the Company held on 2<sup>nd</sup> September, 2016 appointed M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) as Statutory Auditors of the Company from the conclusion of the 80<sup>th</sup> Annual General Meeting till the conclusion of the 85<sup>th</sup> Annual General Meeting covering their second term of 5 consecutive years.

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

**(b) Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company had appointed M/s Swati Nerurkar & Co., Company Secretaries, (ACS No. 18110 CP No. 8193), to

undertake the Secretarial Audit of the Company for the Financial Year 2019-2020. The Secretarial Audit Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor.

The Secretarial Audit Report in Form MR-3 for the FY 2019-2020 is annexed to this Report as **Annexure-D**.

**(c) Annual Secretarial Compliance Report:**

The Company is not required to submit the Annual Secretarial Compliance Report to BSE Ltd. as prescribed pursuant to SEBI Circular dated 8<sup>th</sup> February, 2019 as the provisions relating to the Corporate Governance of the SEBI Listing Regulations are not applicable to the Company.

**(d) Cost Audit:**

The requirement of maintenance of Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

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

**(Vinod Nevatia)**  
Chairman  
(DIN: 00059194)

Mumbai: 30<sup>th</sup> June, 2020

**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31st March, 2020

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

I REGISTRATION & OTHER DETAILS:					
1	CIN	L45200MH1934PLC002346			
3	Registration Date	27th February, 1934			
2	Name of the Company	The Hindustan Housing Company Ltd.			
4	Category/Sub-category of the Company	Public Ltd. Company / Company Limited by Shares			
5	Address of the Registered office & contact details	Bajaj Bhawan, 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 E-mail Id: - bhushan@bajajgroup.net.in Tel. No: - 022-22023626 Website:- www.hhclbajaj.com			
6	Whether listed company	Yes (BSE Ltd.)			
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai- 400 059 Tel No. 022-6263 8200 Website:- www.bigshareonline.com			
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated					
S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company		
1	General Administration Service	8211	49.15		
2	Dining Room Service	8211	14.10		
III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]					
S. No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Not Applicable					



h	Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i	Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Foreign Portfolio Investors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-total (B)(1):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>2 Non-Institutions</b>										
a	Bodies Corp.									
i	Indian	937	6,984	7,921	32.73	990	6,984	7,974	32.95	0.22
ii	Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b	Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,369	2,770	5,139	21.24	2,436	2,650	5,086	21.02	(0.22)
ii	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c	Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i	Non Resident Indians	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii	Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii	Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iv	Clearing Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
v	Trusts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
vi	Foreign Bodies - D R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-total (B)(2):-</b>	<b>3,306</b>	<b>9,754</b>	<b>13,060</b>	<b>53.97</b>	<b>3,426</b>	<b>9,634</b>	<b>13,060</b>	<b>53.97</b>	<b>(0.00)</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3,306</b>	<b>9,754</b>	<b>13,060</b>	<b>53.97</b>	<b>3,426</b>	<b>9,634</b>	<b>13,060</b>	<b>53.97</b>	<b>(0.00)</b>
C	Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Grand Total (A+B+C)</b>	<b>14,446</b>	<b>9,754</b>	<b>24,200</b>	<b>100.00</b>	<b>14,566</b>	<b>9,634</b>	<b>24,200</b>	<b>100.00</b>	<b>(0.00)</b>

ii) Shareholding of Promoters-

Sr. No.	Shareholders Name	Shareholding the beginning of the year [As on 1-April-2019]			Shareholding the end of the year [As on 31-March-2020]			Change in no. of shares	% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		
1	Shri Rahuikumar Bajaj	880	3.64	0.00	880	3.64	0.00	0.00	0.00
2	Shri Shekhar Bajaj	804	3.32	0.00	804	3.32	0.00	0.00	0.00
3	Shri Niraj Bajaj	220	0.91	0.00	220	0.91	0.00	0.00	0.00
4	Smt. Minal Bajaj	320	1.32	0.00	320	1.32	0.00	0.00	0.00
5	Bachhraj and Company Pvt. Ltd.	6,152	25.42	0.00	6,152	25.42	0.00	0.00	0.00
6	Jamnala Sons Pvt. Ltd.	2,764	11.42	0.00	2,764	11.42	0.00	0.00	0.00
	<b>Total</b>	<b>11,140</b>	<b>46.03</b>	<b>0.00</b>	<b>11,140</b>	<b>46.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr.No	Particulars	Shareholding the beginning of the year [As on 1-April-2019]		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
No change in Promoters' Shareholding during the F.Y. 2019-20					

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

Sr.no	Particulars	Shareholding the beginning of the year [As on 1-April-2019]		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Sikkim Janseva Pratisthan Pvt. Ltd.	6824	28.20	6824	28.20
2	Rajesh Kumar Jaipuria	964	3.98	1084	4.48
3	Najeebali Mirza	404	1.67	404	1.67
4	Narendra Jeewanlal Shah	400	1.65	400	1.65
5	Manilal Mohanlal Javeri	400	1.65	400	1.65
6	Ramo Rattan	240	0.99	240	0.99
7	Shri Parasram Commodities Pvt. Ltd.	204	0.84	204	0.84
8	Rajesh Virendra Kumar Shah	200	0.83	200	0.83
9	Sundeep Vira	160	0.66	160	0.66
10	Madhavlal Pittie	160	0.66	160	0.66

v) Shareholding of Directors and Key Managerial Personnel

Sr.no.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares	No of Shares	% of total shares
1	Shri Vinaya Mehrotra - Independent Director (retired w.e.f. 5th February, 2020)				
	At the beginning and end of the year- (No Change)	80	0.33	80	0.33
2	Shri Vinod Nevatia - Independent Director				
	At the beginning and end of the year- (No Change)	400	1.65	400	1.65
3	Smt. Minal Bajaj - Executive Director				
	At the beginning and end of the year- (No Change)	320	1.32	320	1.32
3	Shri Rakesh Gupta - Independent Director (w.e.f. 30th August 2019)				
	At the beginning and end of the year- (No Change)	0	0	0	0
3	Shri Nikhil Tarkas - Non Independent Director (w.e.f. 3rd February 2020)				
	At the beginning and end of the year- (No Change)	0	0	0	0

Note: Shareholding of Chief Financial Officer and Company Secretary is NIL.

## V. INDEBTEDNESS

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

Sr.No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the financial year	Not Applicable			
i	Principal Amount				
ii	Interest due but not paid				
iii	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>				

## VI. REMUNERATION OF THE DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole -Time Directors and / or Manger:

Sr. No.	Particulars of Remuneration	Smt. Minal Bajaj (Executive Director) w.e.f. 1st June, 2019
1	<b>Gross Salary</b>	3,00,000
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
b.	Value of perquisites u/s 17(2) of Income-tax Act, 1961	-
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	<b>Stock Option</b>	-
3	<b>Sweat Equity</b>	-
4	<b>Commission</b>	-
5	<b>Others, please specify</b>	-
	-Contribution to PF etc.	36,000
	<b>Total (A)</b>	<b>3,36,000</b>

### B. Remuneration to other Directors

Sr. No.	Name	Fee for attending Board Meetings	Fee for attending Audit Committee Meetings	Fee for attending Nomination & Remuneration Committee Meetings	Fee for attending Independent Director's Committee Meeting	TOTAL
<b>1</b>	<b>Independent Directors</b>					
1	Vinaya Mehrotra	50,000	40,000	15000	0	1,05,000
2	Vinod Nevatia	50,000	40,000	15000	0	1,05,000
3	Rakesh Gupta (w.e.f. 30th Aug 2019)	30,000	20,000	10000	0	60,000
	<b>TOTAL (1)</b>	<b>1,30,000</b>	<b>1,00,000</b>	<b>40,000</b>	<b>0</b>	<b>2,70,000</b>
<b>2</b>	<b>Other Non-executive Directors</b>					
1	Minal Bajaj	10,000	10,000	5000		25,000
2	Nikhil Tarkas (w.e.f. 3rd Feb 2020)	10,000	0	0	0	10,000
	<b>TOTAL (2)</b>	<b>20,000</b>	<b>10,000</b>	<b>5,000</b>	<b>0</b>	<b>35,000</b>
	<b>TOTAL (B) = (1) + (2)</b>	<b>1,50,000</b>	<b>1,10,000</b>	<b>45,000</b>	<b>0</b>	<b>3,05,000</b>

#### Notes:

- 1) Overall ceiling as per the Act - Not Applicable
- 2) No bonus, pension, performance linked incentive or commission is paid to any of the Directors of the Company.
- 3) The Company has not issued any stock options or sweat equity to any of the Directors of the Company.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sr. No.	Particulars of Remuneration	Chief Financial Officer (CFO)	Pradeep Dhruva (CS) (Upto 30th Sep 2019)	Bhushan Koli (CS) (w.e.f. 1st Oct 2019)	Total
1	<b>Gross Salary</b>				
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	9,84,960	2,34,600	12,19,560
b.	Value of perquisites u/s 17(2) of Income-tax Act,	-	1,36,745	-	1,36,745
c.	Profits in lieu of salary under Section 17(3) Income-	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
5	<b>Others, please specify</b>	-	-	-	-
	-Contribution to PF etc.	-	98,496	16,560	1,15,056
	-Reimbursement of Motor Car Expenses	-	1,51,200	-	1,51,200
	-Conveyance	-	-	69,378	69,378
	<b>Total</b>	-	<b>13,71,401</b>	<b>3,20,538</b>	<b>16,91,939</b>

**Notes:** The Company does not have a CEO and the CFO is on deputation from a Group Company whose salary is being paid by the Group Company.

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

Sr. No.	Type	Section of the Companies Act	Brief Description	Details of penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
<b>A</b>	<b>COMPANY</b>					
i	Penalty			Nil		
ii	Punishment					
iii	Compounding					
<b>B</b>	<b>DIRECTORS</b>					
i	Penalty			Nil		
ii	Punishment					
iii	Compounding					
<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
i	Penalty			Nil		
ii	Punishment					
iii	Compounding					

## ANNEXURE - B

Details of Remuneration under Rule 5(1) of the Company (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended on 31st March, 2020

Sr. No.	Name of the Director / Key Managerial Personnel	Ratio of Remuneration of Director to the Median Remuneration of the Employees	% Increase / (decrease) in remuneration in the financial year
A	Minal Bajaj - Whole-time Director	0.60 Times	NA
B	Non-Executive Directors	NA	NA
	Key Managerial Personnel		
C	1. Pradeep Dhruva (up to 30th Sep, 2019) & 2. Bhushan Koli (w.e.f. 1st Oct, 2019) Company Secretary		0.00
D	% increase / (decrease) in Median Remuneration of employees other than managing director		(36.93)
E	Number of Permanent Employees on the rolls of the Company as on 31st March 2020		11

## Notes on Disclosures under Rule 5

- 1 The Company has appointed a Whole-time Director w.e.f. 1st June, 2019.
- 2 The Company does not pay any remuneration to any of its non-executive directors.
- 3 Remuneration to directors does not include sitting fees paid to them for attending Board and/or Committee Meetings.
- 4 'Permanent Employees' does not include trainees and contract employees.
- 5 Average percentage increase in the salaries of employees other than Managerial Personnel is 8.47% while no average percentage increase in the remuneration of the Managerial Personnel during the financial year.
- 6 The remuneration paid as above was as per the Remuneration Policy of the Company.

## Management Discussion and Analysis 84<sup>th</sup> Annual Report FY 2019-2020

### Background

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

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

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

### Financial Performance

The Net Worth of the Company as on 31.03.2020 is Rs. 11.17 Crores (excluding Other Comprehensive Income). The Total Revenue and Net Profit (after tax) of the Company during the year under review were Rs. 5.50 Crores and Rs. 1.63 Crores respectively as compared to Rs. 5.00 Crores and Rs. 1.19 Crores respectively in the previous year.

### Risks and Concerns

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

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

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

## Internal Control Systems and their Adequacy

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

## Human Resources

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

## Significant Ratios

The key financial ratios of the Company for the current and previous financial year and details of the significant changes in these ratios, to the extent applicable, as required by the SEBI Listing Regulations are given hereinbelow:

Particulars	FY 2019-2020	FY 2018-2019	% Change
Current Ratio	9.81	9.65	+1.66%
Operating Profit Margin	44.50%	33.11%	+34.40 %
Net Profit Margin	37.36%	26.70%	+39.92 %
Debtors Turnover Ratio	9.17	9.68	-5.27%
Return on Net Worth	14.57%	12.45%	+17.02 %

Return on Net worth has increased due to following:

1. Increase in other Income of the Company; and
2. Reduction in the Corporate Income-tax rate for the FY 2019-2020.

## Cautionary Statement

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

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

Our Secretarial Audit Report of even date, for the financial year 2019-20 is to be read along with this letter.

**Management's Responsibility:**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility:**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

7. The Secretarial Audit Report provided by us is solely based on the information provided to us by the company

**FOR SWATI NERURKAR & CO.,**  
**Company Secretaries**

**Swati Nerurkar**  
**Proprietor**  
**Membership No: 18110**  
**C.P No.: 8193**

**Date: 30<sup>th</sup> June, 2020**  
**Place: Mumbai**

Form No.MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020.

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

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

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

Based on my verification of The Hindustan Housing Company Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the Financial Year ended on 31<sup>st</sup> March, 2020 according to the provisions of the :

- (i) Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) Securities Contract (Regulation) Act, 1956 and the Rules made thereunder ;
- (iii) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Securities and Exchange Board of India (Depositories and Participant) Regulations 2018;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder if any applicable to the Company;
- (v) The following Regulations and Guidelines prescribed by SEBI under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 along with 2018 amendments.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Maharashtra Shops and Establishments Act 2017 with Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017;
- (vii) The Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Rules made thereunder;
- (viii) The Enemy Property Act, 1968 and the Ordinances issued by the Government of India.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

During the period under review, the Company has received a Show Cause Notice dated 14th February, 2020 from the Investor Education and Protection Fund Authority (IEPF Authority) under Section 124(7) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority(Accounting, Audit, Transfer and Refund) Rules, 2016.

The Company has submitted its reply to the aforesaid Show Cause Notice to the IEPF Authority vide its Letter dated 11th March, 2020."

I further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Due to changes in the composition of the Board of Directors, following Resolutions were passed pursuant to the above referred laws, rules, regulations and guidelines as applicable:

**Special Resolution**

- i) Re-appointment of Shri Vinod Nevatia as an Independent Director;
- ii) Appointment of Shri Rakesh Gupta as an Independent Director;
- iii) Appointment of Smt. Minal Bajaj as a Whole time Director;

As per information and explanation provided by the Management, Company is in process of filing MGT-14 for appointment of Smt. Minal Bajaj as a Whole time Director and shall take up appropriate steps to complete the process.

**Board Resolution**

- iii) Appointment of Smt. Minal Bajaj as a Whole Time Director of the Company w.e.f. 01<sup>st</sup> June, 2019.
- iv) Cessation of Shri Pradeep Dhruva as the Company Secretary & Compliance Officer of the Company w.e.f. 30<sup>th</sup> September, 2019
- v) Appointment of Shri Bhushan Koli as the Company Secretary & Compliance Officer of the Company w.e.f. 01<sup>st</sup> October, 2019.
- vi) Appointment of Shri Nikhil Tarkas as an Additional Director of the Company w.e.f. 3<sup>rd</sup> February, 2020.
- vii) Cessation of Shri Vinaya Mehrotra as a Director of the Company w.e.f. 05<sup>th</sup> February, 2020.

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

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

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

In the view of Global Pandemic of COVID-19, we had to rely upon the scanned copies of majority documents pertaining F.Y. 2019-20 supporting our views in this Report. We make no representation regarding the sufficiency of the procedures described above, either for the purposes for which this certificate has been requested or for any other purpose.

**FOR SWATI NERURKAR & CO.,**  
Company Secretaries

Swati Nerurkar  
Proprietor  
Membership No: 18110  
C.P No.: 8193  
UDIN:A018110B000400723

Date: 30<sup>th</sup> June, 2020  
Place: Mumbai

## INDEPENDENT AUDITORS' REPORT

To the Members of The Hindustan Housing Company Limited

Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying Ind AS Financial Statements of M/s **The Hindustan Housing Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the financial statements in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditors Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ending 31<sup>st</sup> March, 2020. These matters were addressed in the context of our audit

of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the Key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our Audit addressed the key audit matter
<p>1. Defined benefit obligation</p> <p>The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. A small change in these assumptions can have a material impact on the estimated defined benefit obligation.</p> <p>Refer Note no 29 to the Financial Statements.</p> <p>Accordingly, the same has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures include the following:</li> <li>• Reviewed the fair valuation reports obtained by the management by involvement of external valuation experts.</li> <li>• Assessed the methodology and the assumptions applied in determining the fair value by engaging valuation specialists.</li> <li>• Assessed the objectivity, independence and competence of the Company's external specialists involved in the process.</li> <li>• We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits.</li> <li>• We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls</li> </ul>

	<p>for the purposes of our audit.</p> <ul style="list-style-type: none"> <li>• We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, benefits paid and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</li> <li>• Assessed the adequacy of disclosure in Note 29 in the financial statements.</li> </ul>
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Key Audit Matters	How our audit addressed the key audit matter
2. Impact of Covid-19 on the Financial Statement	
<p>Coronavirus disease 2019 ('COVID-19'), was declared a global pandemic by World Health Organisation. The Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets, impact on revenues and on costs.</p> <p>Refer Note. 42 to the Financial Statements</p>	<p>We have performed the following procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments:</p> <ul style="list-style-type: none"> <li>• We assessed the disclosures on COVID-19 made in the financial statements.</li> <li>• Enquired with the Management about impact on revenues, liquidity position and contractual cash flows.</li> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions in assessing the impact of Covid-19.</li> <li>• Our ability to perform regular audit procedures has been impacted which has required us in certain cases to perform alternative audit procedures and</li> </ul>

	<p>exercise significant judgment in respect of Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents.</p>
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We have determined that there are no other key audit matters to communicate in our report.

#### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (comprising Management Discussion and Analysis, Corporate Governance and Directors' Report), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the the Act with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with

reference to financial statements in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the financial year ended 31<sup>st</sup> March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (hereinafter referred to as "the Order") issued by the Central Government of India in terms of sub-Section (11) of the Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report;
  - g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2020 on its financial position in its financial statements;
- ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company has not entered into any Derivative Contracts during the financial year;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

**GIRISH M. PATHAK**

*Partner*

Membership No. 102016

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

UDIN:

Mumbai, 30<sup>th</sup> June, 2020

## "ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT

(The Annexure referred to in our report to the members of **The Hindustan Housing Company Limited** for the year ended March 31, 2020.)

- (i) In respect of its Fixed Assets:
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) As per the explanation given to us, all property, plant and equipment have not been physically verified by the Management during the year but there is a regular program of verification designed to cover all items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us by the Management and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 2 on property, plant and equipment to the financial statements, are held in the name of the Company.
- (ii) The Company is a Service Company, primarily rendering various administrative and allied services. Accordingly, it does not hold any Inventory. Consequently, clause (ii) of paragraph 3 of the Order is not applicable to the Company and hence not commented upon.
- (iii) In our opinion, and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Act during the year. Consequently, clauses (iii) (a), (iii) (b) and (iii) c of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the act are applicable and hence not commented upon.
- (v) The Company has not accepted deposits from the public, of the nature covered under the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the

provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) In respect of Statutory Dues:
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no dues towards Investor Education and Protection Fund, Employees' State Insurance, Custom Duty, and Excise Duty during the year.
  - (b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as on 31st March, 2020 for a period of more than six months from the date they become payable.
  - (c) According to information and explanations given to us upon our enquiries in this regard and records of the Company, the Company has no dues that has not been deposited by the Company on account of any dispute.
- (viii) According to the records of the Company examined by us and information and explanations given to us, the Company has no dues to any financial institution or banks. The company has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
- (x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations give to us by the Management, the managerial remuneration has been paid/provided in accordance with requisite approvals mandated by the provisions of section 197 read with

Schedule V of the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable and hence not commented upon.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Order is not applicable and hence not commented upon.
- (xv) According to the information and explanations given to us by the Management the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us by the Management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**GIRISH M. PATHAK**

*Partner*

Membership No. 102016

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

UDIN:

Mumbai, 30<sup>th</sup> June, 2020

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

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

We have audited the internal financial controls over financial reporting of **The Hindustan Housing Company Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

Statements, whether due to fraud or error.

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that;

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**GIRISH M. PATHAK**

*Partner*

Membership No. 102016

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

UDIN:

Mumbai, 30<sup>th</sup> June, 2020

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2020**

(Rs. in Lakhs)

Particulars	Note No.	As at	
		31st March 2020	31st March 2019
<b>I. ASSETS</b>			
<b>1) Non-Current Assets</b>			
(a) Property Plant and Equipment	2	156.89	191.69
(b) Financial Assets			
(i) Investments	3	1,065.33	1,695.24
(ii) Loans and Advances	4	77.45	73.53
(iii) Others	5	30.80	30.80
(c) Deferred Tax Asset (Net)	6	3.54	3.13
<b>2) Current Assets</b>			
(a) Financial Assets			
(i) Investments	7	806.30	550.50
(ii) Trade Receivables	8	37.37	57.63
(iii) Cash and Cash Equivalents	9	1.81	52.95
(iv) Bank Balance other than (iii) above	10	0.10	0.10
(v) Others	11	20.39	4.52
<b>TOTAL</b>		<b>2,199.98</b>	<b>2,660.09</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
a) Equity Share Capital	12	6.09	6.09
b) Other Equity	13	1,876.46	2,342.18
<b>2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities	14	99.63	113.89
(b) Provisions	15	93.10	86.49
(c) Other Non-Current Liabilities	16	36.40	42.44
<b>3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	17	5.21	3.55
(ii) Other Financial Liabilities	18	58.22	38.95
(b) Provisions	19	11.90	9.77
(c) Other Current Liabilities	20	12.97	16.73
<b>TOTAL</b>		<b>2,199.98</b>	<b>2,660.09</b>
<b>Significant Accounting Policies</b>	1		

Notes: The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

**Girish M. Pathak**

Partner

Membership No.102016

For & on Behalf of

**K K MANKESHWAR & CO.**

Chartered Accountants

Firm Registration No.106009W

**Vinod Nevatia**

Chairman

**Minal Bajaj**

Executive Director

**Vijay Bohra**

Chief Financial Officer

**Bhushan Koli**

Company Secretary

Mumbai: 30<sup>th</sup> June, 2020

Mumbai: 30<sup>th</sup> June, 2020

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020**

(Rs. in Lakhs)

Particulars	Note No.	Year ended 31st March 2020	Year ended 31st March 2019
<b>I.</b> Revenue from Operations	21	435.65	444.36
<b>II.</b> Other Income	22	113.95	56.20
<b>III. Total Income ( I + II )</b>		<b>549.60</b>	<b>500.56</b>
<b>IV. EXPENSES</b>			
Employee Benefits Expense	23	158.09	152.95
Finance Costs	24	9.12	8.37
Depreciation and Amortisation Expenses	2	35.45	29.61
Other Expenses	25	153.07	162.50
<b>Total Expenses</b>		<b>355.73</b>	<b>353.43</b>
<b>V Profit/(Loss) before exceptional items and tax ( III - IV )</b>		<b>193.87</b>	<b>147.13</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(Loss) before tax ( V - VI )</b>		<b>193.87</b>	<b>147.13</b>
<b>VIII Tax Expenses</b>	26		
(1) Current Tax		32.00	26.00
(2) Deferred Tax (Credit)/Charge		(0.89)	2.47
(3) Tax in respect of earlier years (Net)		-	-
<b>IX Profit/(Loss) for the year ( VII - VIII )</b>		<b>162.76</b>	<b>118.66</b>
<b>X Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of employee benefit plans	29	1.91	2.36
Less: Tax relating to above items	26	0.48	0.61
		1.43	1.75
Net Gain on fair valuation of equity investments	27	(629.91)	305.33
<b>Total Other Comprehensive Income/ (Loss) Net of Tax</b>		<b>(628.48)</b>	<b>307.08</b>
<b>XI Total Comprehensive Income/ (Loss) for the period (IX + X)</b>		<b>(465.72)</b>	<b>425.74</b>
<b>XII Earnings Per Share ( In Rs.)</b>	28		
(1) Basic		672.54	490.35
(2) Diluted		672.54	490.35
<b>XIII Significant Accounting Policies</b>	1		

Notes: The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

**Girish M. Pathak**  
Partner  
Membership No.102016  
For & on Behalf of  
**K K MANKESHWAR & CO.**  
Chartered Accountants  
Firm Registration No.106009W

**Vinod Nevatia**  
Chairman

**Minal Bajaj**  
Executive Director

**Vijay Bohra**  
Chief Financial Officer

**Bhushan Koli**  
Company Secretary

Mumbai: 30<sup>th</sup> June, 2020

Mumbai: 30<sup>th</sup> June, 2020

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020**

A. Equity Share Capital	(Rs. in Lakhs)
As at 31st March, 2019	6.09
Change in equity share capital	-
As at 31st March, 2020	6.09

Refer Note No. 12

B. Other Equity				(Rs. in Lakhs)
Particulars	General Reserve	Other Comprehensive Income	Surplus in Profit and Loss Statement	Total
Balance as at 01-04-2018	681.50	1,090.13	144.81	1,916.44
Add: Profit for the year	-	-	118.66	118.66
Add: Other Comprehensive Income for the year	-	305.33	1.75	307.08
(Less)/Add: Transferred or from General Reserve/Reserve & Surplus	-	-	-	-
Transactions with owners in their capacity as owners.	-	-	-	-
<b>Balance as at 31-03-2019</b>	<b>681.50</b>	<b>1,395.46</b>	<b>265.22</b>	<b>2,342.18</b>
Balance as at 01-04-2019	681.50	1,395.46	265.22	2,342.18
Add: Profit for the year	-	-	162.76	162.76
Add: Other Comprehensive Income for the year	-	(629.91)	1.43	(628.48)
(Less)/Add: Transferred or from General Reserve/Reserve & Surplus	-	-	-	-
Transactions with owners in their capacity as owners.	-	-	-	-
<b>Balance as at 31-03-2020</b>	<b>681.50</b>	<b>765.55</b>	<b>429.41</b>	<b>1,876.46</b>

Refer Note No. 13

Notes: The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

**Girish M. Pathak**  
 Partner  
 Membership No.102016  
 For & on Behalf of  
**K K MANKESHWAR & CO.**  
 Chartered Accountants  
 Firm Registration No.106009W

**Vinod Nevatia**  
 Chairman

**Minal Bajaj**  
 Executive Director

**Vijay Bohra**  
 Chief Financial Officer

**Bhushan Koli**  
 Company Secretary

Mumbai: 30<sup>th</sup> June, 2020

Mumbai: 30<sup>th</sup> June, 2020

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

(Rs.in Lakhs)

Particulars	Year Ended 31st March 2020		Year Ended 31st March 2019	
<b>A. Cash Flow arising from Operating Activities</b>				
Net Profit before Tax	193.87		147.13	
Add back :				
a) Depreciation Charge	35.45		29.61	
b) Unwinding of Interest	9.12		8.37	
		<b>238.44</b>		185.11
		<b>238.44</b>		185.11
Deduct :				
a) Dividend Income	49.20		18.78	
b) Interest Income	0.56		0.44	
c) Sundry Balance Written Back	-		0.20	
d) Net gain on valuation and realisation on mutual fund through FVTPL	57.81		30.93	
e) Surplus on sale of Asset	-		0.02	
f) Gain on Fair valuation of Security Deposits	6.37		5.48	
		<b>(113.94)</b>		(55.85)
Operating Cash Profit before Working capital changes		<b>124.50</b>		129.26
Add / (Deduct) :				
a) Increase / (Decrease) in Trade Payables and Provisions	4.77		28.82	
b) (Increase) / Decrease in Trade and Other Receivables and provisions	0.49		39.70	
		<b>5.26</b>		68.52
Cash Outflow From Operations		<b>129.76</b>		197.78
Deduct : Direct Taxes paid		<b>32.00</b>		31.41
Net Cash outflow from Operating Activities		<b>97.76</b>		166.37
<b>B. Cash Flow arising from Investing Activities :</b>				
Inflow :				
a) Interest received	0.56		0.44	
b) Dividend received	49.20		18.78	
c) Sale of Assets	-		0.57	
d) Sale of Current Investment	284.98		190.98	
		<b>334.74</b>		210.77
Outflow :				
a) Acquisition of Fixed Assets & Capital WIP	0.66		141.03	
b) Acquisition of Current Investments	482.98		209.98	
		<b>(483.64)</b>		(351.01)
Net Cash flow from/(used) in investing activities		<b>(148.90)</b>		(140.24)
<b>C. Cash Flow arising from Financing Activities :</b>				
Net Cash Flow from Financing Activities		-		-
Net Increase/(Decrease) in Cash / Cash Equivalents (A+B+C)		<b>(51.14)</b>		26.13
Add - Balance at the beginning of the year		<b>52.95</b>		26.82
Cash / Cash Equivalents at the close of the year		<b>1.81</b>		52.95

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

This is the Cash Flow Statement referred to in our report of even date.

**Girish M. Pathak**  
Partner  
Membership No.102016  
For & on Behalf of  
**K K MANKESHWAR & CO.**  
Chartered Accountants  
Firm Registration No.106009W

**Vinod Nevatia**  
Chairman

**Minal Bajaj**  
Executive Director

**Vijay Bohra**  
Chief Financial Officer

**Bhushan Kohli**  
Company Secretary

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### I. Background

The Hindustan Housing Company Limited ('HHCL' or 'the Company') incorporated in India is engaged in the business of rendering administrative and allied services. The equity shares of the Company are listed on BSE Ltd (Bombay Stock Exchange).

##### II. Significant Accounting Policies followed by the Company

###### (a) Basis of preparation

###### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act, on accrual basis.

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies are applied consistently to all the periods presented in the financial statements.

###### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following that are measured at fair value or amortised book value:

- 1) Certain financial assets and liabilities;
- 2) Defined benefit plans - plan assets;

###### (iii) Current/Non-Current classification

All assets and liabilities, other than deferred tax assets and liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act. Deferred tax assets and liabilities are classified as non current assets and liabilities.

###### (iv) Rounding off

The financial statements are prepared in INR, which is also the Company's functional currency and all values are rounded to the nearest lakh (00,000), except when indicated otherwise.

###### (b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience; Management's evaluation of the relevant facts, various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Circumstances as on the date of the financial statements may differ from the actual results at a subsequent date. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The following are items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates is included in the relevant notes together with information about basis of calculation for each affected line item in the financial statements:

- a) Estimation of variable considerations in revenue
- b) Provision for employee benefits
- c) Provision for tax expenses
- d) Residual value and useful life of property, plant and equipment
- e) Valuation of investments

#### **(c) Property, plant and equipment**

All items of property, plant and equipment are stated at cost less depreciation; amortisation and impairment, if any. Historical cost includes expenditure that is directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The Company depreciates them separately based on their specific useful lives. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on Straight Line Method and the useful lives of the assets for computing depreciation are calculated in accordance with Schedule II to the Act. Depreciation on additions to assets or on sale/disposal/discarding of assets is calculated pro-rata from the day of such addition or upto the day of such sale/disposal/discarding as the case may be.

Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed at regular intervals and adjusted prospectively, if appropriate. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### **(d) Intangible assets**

##### **Computer software**

Computer software are stated at cost, less accumulated amortisation and impairments, if any. The Company amortizes computer software using the straight-line method over the period of 6 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

#### **(e) Cash Flow and Cash & Cash Equivalents**

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

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

#### **(f) Investments and Other financial assets**

##### **(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- (1) Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) Those measured at amortised cost.

The above classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### **(ii) Measurement**

For a financial asset to be classified and subsequently measured at amortised cost or FVTOCI (excluding equity instruments which are measured at fair value through other comprehensive income(FVTOCI)), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss(FVTPL), irrespective of the business model.

##### **At initial recognition:**

The Company measures a financial asset at its fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL). Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### Subsequent measurement:

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

#### **(1) Amortised cost:**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost and Interest income from these financial assets is included in other income using the Effective Interest Rate (EIR) method.

#### **(2) Fair value through profit and loss (FVTPL):**

Financial Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss eg. Investments in mutual funds. A gain or loss on a financial asset that is subsequently measured at FVTPL is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investments in mutual funds (other than FMP) as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### **(3) Fair value through Other Comprehensive Income (FVTOCI):**

The Company measures its current equity investment i.e. Equity instruments which are held for trading, if any, at FVTPL and all other equity instruments at FVTOCI. The Company makes such election on an instrument-by-instrument basis.

Equity instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

#### **(iii) Impairment of financial assets**

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g. trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and all lease receivables.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. Since the Company's business model is to provide administrative and allied services within the group companies reducing the credit risk exposure of the Company, the Company is able to generate its contractual cash flows within the operating cycle.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **(iv) Derecognition of financial assets**

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset or the rights to receive cash flows from the financial asset have expired. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

#### **(v) Reclassification of financial assets**

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

#### **(g) Impairment of non-financial assets**

Goodwill and intangible assets (if and when available) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **(h) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **(i) Revenue recognition**

##### **(i) Income from rendering of services**

Income from rendering of services and related expenses are recognised on accrual basis in the year in which the services are rendered at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the Company transfers the goods or provide services may differ from the timing of the customer's payment.

Amounts disclosed as revenue are net of goods and service tax (GST).

##### **(ii) Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

##### **(iii) Other income**

The Company recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

#### **(j) Employee benefits**

##### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees renders the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### **(ii) Other long-term employee benefit obligations**

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

#### **(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

#### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of Defined Benefit Gratuity Plan is the present value of the Defined Benefit Obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Gratuity liability for the employees covered under the Payment of Gratuity Act 1972, is contributed to the Life Insurance Corporation of India (LIC), through "Bachhraj Employees Group Gratuity Scheme". Fair value of the Plan Assets, is reduced from the gross obligation under the Defined Benefit Plans, to recognize the obligation on a net basis. However, any deficit in plan assets managed by LIC as compared to the liability based on an independent actuarial valuation is recognised as a liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### **Defined Contribution Plan**

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

**Defined contribution to Employees Pension Scheme 1995** is made to Government Provident Fund Authority and recognised as expense as and when due.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### **(k) Borrowing Costs**

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

#### **(l) Taxation**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961; and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other Comprehensive Income or directly in equity. In this case, the tax is also recognised in other Comprehensive Income or directly in equity, respectively.

Deferred Tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **(m) Earnings Per Share**

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

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### (n) Changes in accounting policies and disclosures

##### **New and amended standards**

The Company applied Ind AS 116 – Leases ('Ind AS 116') for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Based on the Company's evaluation, the standard did not have significant impact on the financial statements of the Company.

##### **Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

##### **Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company does not have any borrowings, the amendment had no impact on the financial statements of the Company.

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

Note 2: Property Plant and Equipment

ASSETS	GROSS BLOCK ( AT COST )					DEPRECIATION			NET BLOCK	
	As at 01-04-2019	Addition	(Disposal)/ Adjustment	As at 31-03-2020	As at 01-04-2019	For the Year	(Disposal) / Adjustment	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
<b>a) Tangible Assets</b>										
Air Conditioner	60.57	-	-	60.57	10.12	11.51	-	21.63	38.94	50.45
Building*	71.08	-	-	71.08	17.01	1.13	-	18.14	52.94	54.06
Computers	52.92	0.66	-	53.58	15.93	14.49	-	30.42	23.16	36.99
Electrical Equipments	30.08	-	-	30.08	9.78	2.03	-	11.81	18.27	20.31
Elevators	10.64	-	-	10.64	10.11	-	-	10.11	0.53	0.53
Furniture, Fixtures and Equipments	82.81	-	-	82.81	72.33	2.87	-	75.20	7.61	10.48
Office Equipments	19.47	-	-	19.47	7.25	2.59	-	9.84	9.63	12.22
Security Equipment	100.56	-	-	100.56	95.54	-	-	95.54	5.02	5.03
<b>Total Tangible Assets (A)</b>	428.13	0.66	-	428.79	238.07	34.62	-	272.69	156.10	190.07
<b>b) Intangible Assets</b>										
Computer Software	3.30	-	-	3.30	1.68	0.83	-	2.51	0.79	1.62
<b>Total Intangible Assets (B)</b>	3.30	-	-	3.30	1.68	0.83	-	2.51	0.79	1.62
<b>Total (A) + (B)</b>	431.43	0.66	-	432.09	239.75	35.45	-	275.20	156.89	191.69
Previous Year's Total	301.30	141.04	(10.91)	431.43	220.50	29.61	(10.37)	239.74	191.69	

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

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 3: Non-Current Investments**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Nos. of Shares	Amount	Nos. of Shares	Amount
a) Investments in Equity Shares (Quoted)				
Other Investments				
1. Bajaj Holdings & Investment Limited (Equity Shares of Rs.10/- each fully paid up)	15,391	276.97	15,391	526.07
2. Bajaj Finserv Limited (Equity Shares of Rs.5/- each fully paid up)	8,000	367.18	8,000	562.84
3. Bajaj Auto Limited (Equity Shares of Rs.10/- each fully paid up)	20,800	421.18	20,800	606.33
<b>Total</b>		<b>1,065.33</b>		<b>1,695.24</b>

Note:

(a) Refer note 1(f) for accounting policy on investments and note 32 for credit risk management related to investments.

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Aggregate amount of quoted investment at fair value (As per IND-AS)	1,065.33	1,695.24
Aggregate amount of quoted investment at cost (As per Previous GAAP)	295.36	295.36

**Note 4: Long Term Loans and Advances**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered good		
a) Advances Recoverable in Cash or in Kind or for Value to be received	67.97	64.05
b) Advance Tax (Net of Provision for Tax)	9.48	9.48
<b>Total</b>	<b>77.45</b>	<b>73.53</b>

**Note 5: Other Non-Current Financial Assets**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deposits with Government authorities and others	28.73	28.73
Income Tax Refund Receivable	2.07	2.07
<b>Total</b>	<b>30.80</b>	<b>30.80</b>

**Note 6: Deferred Tax (Liability)/Assets [Net]**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax (Liability)/Assets on account of Depreciation	1.24	0.94
Add/(Less): Deferred Tax Asset on account of Employee Benefits	2.30	2.19
<b>Total</b>	<b>3.54</b>	<b>3.13</b>

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 7: Current Investments**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Units	Amount	No. of Units	Amount
<b>a) Investments in Mutual Funds (Unquoted)</b>				
1. HDFC Floating Rate Debt Fund- Direct Plan- Wholesale Option - Growth	22,78,825	806.30	12,51,226	412.47
2. Reliance Diversified Power Sector Fund -Direct Growth Plan- Growth Option	-	-	43,516	44.70
3. Principal Large Cap Fund - Direct Plan Growth	-	-	1,41,374	93.33
<b>Total</b>		<b>806.30</b>		<b>550.50</b>

Current Investments carried at fair value through statement of profit and loss.

Note: For information on market price risk, refer Note No. 30.

**Note 8: Trade Receivables**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables- Unsecured, considered good	37.37	57.63
<b>Total</b>	<b>37.37</b>	<b>57.63</b>
Current portion	37.37	57.63
Non-Current portion	-	-

Note: For information on credit risk of trade receivable, refer Note No. 31.

**Note 9: Cash and Cash Equivalents**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Balances with Bank		
Current Account	1.69	46.25
b) Cheques on Hand	-	6.65
c) Cash on Hand	0.12	0.05
<b>Total</b>	<b>1.81</b>	<b>52.95</b>

**Note 10: Bank Balance other than Cash and Cash Equivalents**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unclaimed Suspense Account	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>

**Note 11: Others**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
a) Loans and Advances to Employees	2.15	1.35
b) Advances Recoverable in Cash or in Kind or for value to be received	9.90	3.17
c) Duties & Taxes	8.34	-
<b>Total</b>	<b>20.39</b>	<b>4.52</b>

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 12: Equity Share Capital**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	Amount	Number of Shares	Amount
a) Authorised Equity Shares of Rs. 25/- each	40,000	10.00	40,000	10.00
b) Issued Equity Shares of Rs. 25/- each	24,531	6.13	24,531	6.13
c) Subscribed and Paid up				
i) Equity Shares of Rs. 25/- each fully paid up	24,200	6.05	24,200	6.05
ii) Forfeited Shares (Amounts originally paid up)	331	0.04	331	0.04
<b>Total</b>	<b>24,531</b>	<b>6.09</b>	<b>24,531</b>	<b>6.09</b>

**Reconciliation of Number of Shares and Amount Outstanding :**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares at the beginning of the year	24,531	6.09	24,531	6.09
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>24,531</b>	<b>6.09</b>	<b>24,531</b>	<b>6.09</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 25/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts, in the proportion of the number of equity shares held by each share holder.

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

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	% of total Holding	Number of Shares	% of total Holding
i) Slickin Jansena Prathishan Pvt. Ltd.	6,824	28.20%	6,824	28.20%
ii) Baachiraj & Company Pvt. Ltd.	6,152	25.42%	6,152	25.42%
iii) Jannalal Sons Pvt. Ltd.	2,764	11.42%	2,764	11.42%
<b>Total</b>	<b>15,740</b>	<b>65.04%</b>	<b>15,740</b>	<b>65.04%</b>

**Note 13: Other Equity**

(Rs. in Lakhs)

Particulars	General Reserve	Other Comprehensive Income	Surplus in Profit and Loss Statement	Total
Balance as at 01-04-2018	681.50	1,090.13	144.81	1,916.44
Add: Profit for the year	-	-	118.66	118.66
Add: Other Comprehensive Income for the year (less)/Add: Transferred or from General Reserve/Reserve & Surplus Transactions with owners in their capacity as owners.	-	305.33	1.75	307.08
Balance as at 31-03-2019	681.50	1,395.46	265.22	2,342.18
Balance as at 01-04-2019	681.50	1,395.46	265.22	2,342.18
Add: Profit for the year	-	-	162.76	162.76
Add: Other Comprehensive Income/(Loss) for the year (less)/Add: Transferred or from General Reserve/Reserve & Surplus Transactions with owners in their capacity as owners.	-	(629.91)	1.43	(628.48)
<b>Balance as at 31-03-2020</b>	<b>681.50</b>	<b>765.55</b>	<b>429.41</b>	<b>1,876.46</b>

General Reserve reflects the amount transferred from statement of Profit and Loss in accordance with the provision of the Companies Act 2013.

**Non-Current Liabilities :**

**Note 14: Financial Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	99.63	113.89
<b>Total</b>	<b>99.63</b>	<b>113.89</b>

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 15: Provisions**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Leave Encashment	25.13	22.44
Gratuity	67.97	64.05
Provision for Taxation (Net)		-
<b>Total</b>	<b>93.10</b>	<b>86.49</b>

**Note 16: Other Non-Current Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Others*	36.40	42.44
<b>Total</b>	<b>36.40</b>	<b>42.44</b>

\* Refer note No. 30

**Current Liabilities :**

**Note 17: Trade Payables**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables		
Sundry Creditors (Refer Note 38)	5.21	3.55
<b>Total</b>	<b>5.21</b>	<b>3.55</b>

**Note 18: Other Financial Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	20.63	19.40
Bonus Payable	11.83	13.66
Loans and Advances	19.05	2.02
Liability for Expenses	6.71	3.87
<b>Total</b>	<b>58.22</b>	<b>38.95</b>

**Note 19: Short Term Provisions**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits:		
Leave Encashment	2.91	4.58
Gratuity	8.99	5.19
<b>Total</b>	<b>11.90</b>	<b>9.77</b>

**Note 20: Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Liabilities #	6.60	10.36
Others*	6.37	6.37
<b>Total</b>	<b>12.97</b>	<b>16.73</b>

\* Refer note No. 30

# Includes statutory dues, liability for expenses

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 21: Revenue from Operations**

(Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
<b>Sale of Services:</b>		
Air-Conditioning Service Charges	29.28	32.05
General Administration Service Charges	214.12	234.74
Dining Room Service Charges	61.43	47.83
Other Allied Services	130.82	129.74
<b>Total</b>	<b>435.65</b>	<b>444.36</b>

**Note 22: Other Income**

(Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
Interest Income	0.56	0.44
Dividend on Shares	49.20	18.78
Net gain on valuation and realisation on mutual fund through FVTPL	57.81	30.93
Gain on Fair valuation of Security Deposits	6.37	5.48
Miscellaneous Income	0.01	0.57
<b>Total</b>	<b>113.95</b>	<b>56.20</b>

**Note 23: Employee Benefits Expense**

(Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
Salaries, Allowances, Bonus, etc.	116.09	113.16
Contribution to Provident Fund	9.23	9.10
Contribution to Gratuity (Defined Benefit Plan)	5.70	5.26
Contribution to National Pension System	3.36	3.04
Staff Welfare Expenses	23.71	22.39
<b>Total</b>	<b>158.09</b>	<b>152.95</b>

Note: Refer Note No. 29 for information on Post retirement benefit plans.

**Note 24: Finance Costs**

(Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
Unwinding Interest (On account of fair valuation of deposits)	9.12	8.37
<b>Total</b>	<b>9.12</b>	<b>8.37</b>

Note: Refer Note No. 30 for information on fair valuation of deposits.

**Note 25: Other Expenses**

(Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
Advertisement	0.52	0.58
Power & Fuel	29.05	32.94
Auditor's Remuneration (Refer Note 25.1)	3.04	2.00
Director's Sitting Fees	3.05	2.45
Maintenance and Service Contract Charges	9.58	6.92
Compensation paid for use of Premises	3.00	3.00
Legal and Professional Charges	3.76	2.61
Housekeeping Charges	22.03	21.85
General Administration Service Expenses	33.78	40.83
BSE Listing Fees	3.00	2.50
Repairs And Maintenance	12.35	16.57
Computer Maintenance Expenses	4.24	3.31
Dining Room Expenses	5.98	5.39
Internet Expenses	10.65	11.90
Insurance	0.24	0.26
Miscellaneous Expenditure	8.80	9.39
<b>Total</b>	<b>153.07</b>	<b>162.50</b>

**25.1 Auditor's Remuneration**

(Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
Audit Fee	1.05	1.05
Tax Audit Fee	0.53	0.53
Limited Review	0.32	0.32
GST Audit Fee	1.00	-
Reimbursement of Expenses	0.14	0.10
<b>Total</b>	<b>3.04</b>	<b>2.00</b>

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 26 : Estimation of current tax expenses and Payable**

**Note :- TAX EXPENSES**

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Current Tax</b>		
Current Tax on taxable income for the year	32.00	26.00
<b>Total current tax expense</b>	<b>32.00</b>	<b>26.00</b>
<b>Deferred Tax</b>		
Opening Deferred tax Asset/ (Liability)	3.13	6.21
Closing Deferred Tax Asset/ (Liability)	3.54	3.13
<b>Deferred tax charge/(credit)</b>	<b>(0.41)</b>	<b>3.08</b>
<b>MAT Credit (taken)/utilised</b>	-	-
<b>Total tax expense/(benefit)</b>	<b>31.59</b>	<b>29.08</b>
Tax in respect of earlier years	-	-
<b>Total tax expense</b>	<b>31.59</b>	<b>29.08</b>

**A) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:**

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Effective income tax rate in India applicable to the Company</b>	<b>25.17%</b>	<b>26.00%</b>
<b>Profit before tax</b>	<b>193.87</b>	<b>147.13</b>
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	48.80	38.25
<b>Tax effect of the amounts which are not deductible/(taxable) in</b>		
Permanent Disallowances		
Allowable Expense under the Income Tax Act	(8.60)	(16.00)
Expense Disallowed	14.27	12.83
Tax in respect of earlier years	-	-
Income exempted from income tax	(24.52)	(9.47)
Income tax on Long term Capital Gain	1.32	-
Deferred Tax Expense	(0.89)	2.47
Additional Provision for Tax made	0.74	0.39
Tax effect of other Ind AS adjustments	0.48	0.61
<b>Total income tax expense/(credit)</b>	<b>31.59</b>	<b>29.08</b>

Consequent to reconciliation items shown above, the effective tax rate is 25.17% (2018-19 : 26.00%)

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

(Note No. 26 Continued...)

**B) The movement in deferred tax assets and liabilities**

(Rs. in Lakhs)

Particulars	As at 1st April, 2019	[Credit]/Charge in Statement of Profit and Loss	Credit/(Charge) in directly equity	AS at 31st March, 2020
	Deferred Tax (Assets)/Liabilities			Deferred Tax (Assets)/Liabilities
Depreciation	(0.95)	(0.29)	-	(1.24)
Provision for Leave Encashment	(0.82)	(0.04)	-	(0.86)
Provision for Gratuity	(1.36)	(0.08)	-	(1.44)
	(3.13)	(0.41)	-	(3.54)
MAT Credit Entitlements	-	-	-	-
	(3.13)	(0.41)	-	(3.54)

**Note 27: Gain from valuation of Investment in equity instruments at fair value** (Rs. in Lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
	Rs.	Rs.
Market Value of Investments In Equity Shares	1,065.33	1,695.24
Value of these Investments at the beginning of the year	1,695.24	1,389.91
<b>Total Profit/(Loss)</b>	<b>(629.91)</b>	<b>305.33</b>

**Note 28: Earnings Per Share**

Particulars	Year Ended	Year Ended
	31st March 2020	31st March 2019
Net profit after tax as per Statement of Profit and Loss attributable to Equity shareholders (Rs in Lakhs)	162.76	118.66
Weighted Average number of equity shares used as denominator for calculating EPS	24,200	24,200
Basic and Diluted Earnings per share (In Rs.)	672.54	490.35
Face value per equity share (In Rs.)	25	25

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 29: Post Retirement Benefit Plans**

**1) Defined Benefits Plan**

**1. Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity on retirement/termination is payable to the employees on his last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India through "Bachhraj Employees Group Gratuity Scheme".

**2. Leave Encashment**

The leave obligations covers the Company's liability towards earned leave. The compensated absences for the year ended March 31, 2020 is based on actuarial valuation amounting to Rs. 3,43,613 (March 31, 2019) - Rs. 6,84,511 has been charged in the Statement of Profit and Loss.

**POST RETIREMENT BENEFIT PLANS**

As per Actuarial Valuation as on 31st March 2020, and 31st March 2019 and recognised in the financial statements in respect of Employee Benefit Schemes:

**A. Amount recognised in the Balance Sheet**

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity:</b>		
Present Value of Plan Liabilities*	76.95	69.24
Fair Value of Plan Assets	67.97	64.05
Deficit / (Surplus) of funded plans	8.99	5.19
Unfunded Plans		
<b>Net Plan liability (Assets)</b>	<b>8.99</b>	<b>5.19</b>
<b>Classification:</b>		
Current Liability	8.99	5.19
Non Current Liability	67.97	64.05
<b>Total</b>	<b>76.95</b>	<b>69.24</b>
<b>Leave Encashment:</b>		
Present Value of Plan Liabilities*	28.04	27.02
Fair Value of Plan Assets	-	-
Deficit / (Surplus) of funded plans	28.04	27.02
Unfunded Plans	-	-
<b>Net Plan liability (Assets)</b>	<b>28.04</b>	<b>27.02</b>
<b>Classification:</b>		
Current Liability	2.91	4.58
Non Current Liability	25.13	22.44
<b>Total</b>	<b>28.04</b>	<b>27.02</b>

\*The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, it will create a deficit

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

(Note No. 29 Continued...)

**B. Movement in Plan Assets and Plan Liabilities**

(Rs. in Lakhs)

Gratuity:	As at 31st March, 2020			As at 31st March, 2019		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
<b>As at 1st April</b>	<b>64.05</b>	<b>69.24</b>	<b>5.19</b>	55.40	71.83	16.42
Current Service Cost		5.32	5.32		4.65	4.65
Adjustment to opening fair value of plan asset		-	-	-	-	-
Employee Contributions		-	-	-	-	-
Return on plan assets excluding interest income	(0.77)		0.77	(0.43)		0.43
Interest Income	4.69		(4.69)	4.22		(4.22)
Interest Cost		5.07	5.07	-	4.84	4.84
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	1.90	1.90	-	(0.07)	(0.07)
Actuarial (gain)/loss arising from changes in experience adjustments	-	(4.58)	(4.58)	-	(0.85)	(0.85)
Employer contributions	-		-	16.00		(16.00)
Benefit payments			-	(11.15)	(11.15)	-
<b>As at 31st March</b>	<b>67.97</b>	<b>76.95</b>	<b>8.99</b>	64.05	69.24	5.19

Leave Encashment	As at 31st March, 2020			As at 31st March, 2019		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
<b>As at 1st April</b>	-	27.02	27.02	-	23.88	23.88
Current Service Cost	-	7.62	7.62	-	5.37	5.37
Adjustment to opening fair value of plan asset						
Employee Contributions	-	(2.42)	(2.42)	-	(3.70)	(3.70)
Return on plan assets excluding interest income	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Interest Cost	-	1.89	1.89	-	1.61	1.61
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.94	0.94	-	(0.03)	(0.03)
Actuarial (gain)/loss arising from changes in experience adjustments	-	(7.01)	(7.01)	-	(0.10)	(0.10)
Employer contributions	-		-	-	-	-
Benefit payments	-		-	-	-	-
<b>As at 31st March</b>	-	<b>28.04</b>	<b>28.04</b>	-	27.02	27.02

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

(Note No. 29 Continued...)

(Rs. in Lakhs)

**C. Amount recognised in the Statement of Profit and Loss as employee benefits expense**

Gratuity:	As at 31st March, 2020	As at 31st March, 2019
Current Service cost	5.32	4.65
Finance cost/(income)	0.38	0.62
Asset/(Liabilities) recognised in Balance Sheet	-	-
<b>Net impact on the Profit / (Loss) before tax</b>	<b>5.70</b>	<b>5.26</b>
<b>Remeasurement of the net defined benefit liability</b>		
Return on plan assets excluding net interest	0.77	0.43
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	1.90	(0.07)
Actuarial (gain)/loss arising from changes in experience adjustments	(4.58)	(0.85)
Reimbursement	-	(1.86)
Benefit Plan Liabilities		
<b>Net (gain)/loss recognised other comprehensive income before tax</b>	<b>(1.91)</b>	<b>(2.36)</b>
<b>Total Expense recognised in Statement of Profit and Loss</b>	<b>3.79</b>	<b>2.90</b>

Leave Encashment	As at 31st March, 2020	As at 31st March, 2019
Current Service cost	7.62	5.37
Finance cost/(income)	1.89	1.61
Actuarial gain or loss recognised for the period	(6.07)	(0.13)
Asset/(Liabilities) recognised in Balance Sheet	-	-
<b>Net impact on the Profit / (Loss) before tax</b>	<b>3.44</b>	<b>6.85</b>
<b>Remeasurement of the net defined benefit liability</b>		
Actuarial (Gain)/loss from previous period	-	-
Asset limit effect	-	-
Return on plan assets excluding actuarial return on plan assets	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
<b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>		

**Asset Information-Gratuity**

Particulars	Total Amount	Target Allocation (%)
Cash and Cash Equivalents	-	-
Gratuity Fund (LIC of India)	67.97	100.00
Debt Security - Government Bond	-	-
Equity Securities - Corporate Debt Securities	-	-
Other Insurance Contracts (LIC of India)	-	-
Property	-	-
<b>Total Itemized Assets</b>	<b>67.97</b>	<b>100.00</b>

**Assumptions**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Mortality	IALM(2006-08) Ult.	IALM(2006-08) Ult.
Interest / Discount Rate	6.80%	7.32%
Rate of increase in compensation #	12.00%	12.00%
Annual increase in healthcare costs	-	-
Future Changes in maximum state healthcare benefits	-	-
Expected average remaining service	12.06	10.93
Retirement Age	58 Years	58 Years
Employee Attrition Rate	0.8% for all ages	0.8% for all ages

# takes into account the inflation, seniority, promotions and other relevant factors.

**Sensitivity Analysis**

Particulars	As at 31st March, 2020			
	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Present Value of Obligation (PVO)- (Rs.)	73.41	80.96	80.71	73.55

Particulars	As at 31st March, 2019			
	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Present Value of Obligation (PVO)- (Rs.)	66.03	72.84	72.63	66.14

**Asset Liability Comparisons**

Year	31.03.2016	31.03.2017	31.3.2018	31.03.2019	31.03.2020
PVO at end of period	82.83	64.43	71.83	69.24	76.95
Plan Assets	68.33	46.66	55.40	64.05	67.97
Surplus/ (Deficit)	(14.50)	(17.76)	(16.42)	(5.19)	(8.99)
Experience adjustments on plan assets	1.05	(0.03)	0.55	(0.43)	(0.77)

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**Expected Payout**

Year	As at 31st March, 2020					
	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten Years
PVO Payouts (Rs.)	12.29	0.86	18.17	18.42	4.59	29.94

Year	As at 31st March, 2019					
	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten Years
PVO Payouts (Rs.)	13.56	0.72	0.83	17.37	18.24	32.85

**II) Defined Contribution Plans**

The Company also has certain defined contribution plan. Monthly contributions at the rate of 12% of basic salary as per the regulations are made to "Bachraj & Co. Ltd. Provident Fund Institution", (Trust) constituted for the benefit of the employees. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate. The expense recognised during the period towards defined contribution plan is Rs. 9.22 (31st March, 2019 - Rs. 9.10 )

**THE HINDUSTAN HOUSING COMPANY LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**Note 30: Estimation of fair value of interest free deposits**

The security deposits received are to be repaid in cash over a definite period of years. As per Indian Accounting Standard 109 ("Ind AS 109"),- "Financial Instruments", all financial assets and liabilities are required to be recognised at fair value. Since these security deposits are refundable in cash, they would generally meet the definition of financial asset under Ind AS 109. As these security deposits are interest free, the difference between the deposit amount and its fair value is to be treated as Deferred Income which is then recognised as Income in the statement of profit or loss on a straight line basis over the tenure of the deposit as additional lease income. On a related note, interest is accreted on the fair value recognized on inception to bring the fair value to the deposit amount that will be repaid.

**Note 31 : Fair Value Measurement**

Financial Instrument by category and hierarchy:

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**Financial Assets and Liabilities as at 31st March 2020:**

(Rs. in Lakhs)

Particulars Note No.:	Financial Assets		Financial Liabilities
	Equity Instruments 3	Mutual Funds 6	Interest Free Security deposits 14
Non Current	1,065.33	-	99.63
Current	-	806.30	20.63
<b>Total</b>	<b>1,065.33</b>	<b>806.30</b>	<b>120.26</b>
Routed through Profit and Loss	Level 1	806.30	-
	Level 2	-	-
	Level 3	-	120.26
Routed Through OCI	Level 1	1,065.33	-
	Level 2	-	-
	Level 3	-	-
Carried at Amortised Cost	Level 1	-	-
	Level 2	-	-
	Level 3	-	-
<b>Grand Total</b>	<b>1,065.33</b>	<b>806.30</b>	<b>120.26</b>

**THE HINDUSTAN HOUSING COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

(Note No. 31 Continued...)

**Financial Assets and Liabilities as at 31st March 2019:**

Particulars Note No.:	Financial Assets		Financial Liabilities
	Equity Instruments 3	Mutual Funds 7	Interest Free Security deposits 14 & 18
Non Current	1,695.24	-	113.89
Current	-	550.50	19.40
<b>Total</b>	<b>1,695.24</b>	<b>550.50</b>	<b>133.29</b>
Routed through Profit and Loss	Level 1	-	550.50
	Level 2	-	-
	Level 3	-	133.29
Routed Through OCI	Level 1	1,695.24	-
	Level 2	-	-
	Level 3	-	-
Carried at Amortised Cost	Level 1	-	-
	Level 2	-	-
	Level 3	-	-
<b>Grand Total</b>	<b>1,695.24</b>	<b>550.50</b>	<b>133.29</b>

Note:

The Company does not have any interest rate risk as it has no borrowings. As such, the interest rate sensitivity and exposure to interest rate risk has not been disclosed.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### Note 32: Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's approach to addressing risks is comprehensive and includes periodic review of such risks and a framework for mitigating and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board & Audit Committee. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as credit risk, liquidity risk and investment of available funds.

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

- Credit Risk
- Liquidity Risk and
- Market Risk

#### **Credit Risk:**

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and primarily arises from cash and cash equivalents, trade and other receivables, financial assets measured at amortised cost, financial assets measured at FVTPL and trade receivables. None of the financial instruments of the Company result in material concentration of credit risk. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

#### **i. Trade and Other receivables**

In regard to Trade receivables, which are typically unsecured, credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom credit is extended in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty,

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues. Where recoveries are made, these are recognized as income in the statement of profit and loss.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision is considered.

Ageing of Account receivables (Rs. in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Not Due	2.00	9.23
0-3 Months	25.93	46.40
3-6 Months	9.44	-
6 Months to 12 Months	-	-
Beyond 12 Months and less than 2 years	-	-
<b>Total</b>	<b>37.37</b>	<b>55.63</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

The Company has a policy to provide for any amount which is outstanding for more than 12 months from its due date if they are considered as doubtful.

#### ii. Others

Other than trade financial assets reported above, the Company has no other financial assets which carries any significant credit risk.

#### **Liquidity Risk:**

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements to meet the financial liabilities within maturity period. Additionally, the Company has sizeable surplus funds invested in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity if and when required. Hence the Company does not perceive any liquidity risk.

Net Working Capital in the Company and available cash & cash equivalent along with current investment:

Maturity Patterns of other Financial Liabilities: (Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Net Working Capital Fund	777.66	596.69
Which include		
i) Cash and Cash Equivalents	1.81	52.95
ii) Current Investments	806.30	550.50

Maturity Patterns of other Financial Liabilities: (Rs. in Lakhs)

As at 31 <sup>st</sup> March 2020	0-3 Months	3-6 months	6-12 Months	Beyond 12 Months	Total
Trade Payable	5.21	-	-	-	5.21
Other Financial Liability (Current & Non Current)	-	-	58.22	99.63	157.85
<b>Total</b>	<b>5.21</b>	<b>-</b>	<b>58.22</b>	<b>99.63</b>	<b>163.06</b>

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Maturity Patterns of other Financial Liabilities: (Rs. in Lakhs)

As at 31 <sup>st</sup> March 2019	0-3 Months	3-6 months	6-12 Months	Beyond 12 Months	Total
Trade Payable	3.55	-	-	-	3.55
Other Financial Liability (Current & Non Current)	-	-	38.94	113.89	152.83
<b>Total</b>	<b>3.55</b>	<b>-</b>	<b>38.94</b>	<b>113.89</b>	<b>156.38</b>

#### **Market Risk:**

Market Risk is the risk that arises from changes in market prices. The Company operates only in domestic market and considering the business operation, the Company does not have any significant risks that will materially affect its income.

#### **i. Interest Rate Risk:**

Interest rate Risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company has no borrowings and hence there is no interest rate risk.

#### **ii. Price Risk:**

Market Price Risk is the risk that the value of an investment will decrease due to change in market factors.

#### **Exposure:**

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, fixed maturity plans etc. The Company is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities. The Company's exposure to equity securities price risk and mutual fund NAV risk classified in the balance sheet either at fair value through OCI or at fair value through Profit and Loss. To manage its price risk, the Company diversifies its portfolio.

#### **Sensitivity:**

The table below summarizes the impact of increases/decreases of the BSE index on the Company's investments and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

**Impact on Profit before tax** (Rs. in Lakhs)

Particulars	31st March 2020	31st March 2019
BSE Sensex 30 - Increase 5%	93.58	112.29
BSE Sensex 30 - Decrease 5%	(93.58)	(112.29)

Above referred sensitivity pertains to quoted equity investment (Referred to in Note 3 and 7). Profit for the year would increase/ (decrease) as a result of gains/ (losses) on equity securities and mutual fund investments at fair value through other comprehensive income and through profit or loss respectively.

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Company has invested its surplus funds primarily in debt based mutual funds and fixed maturity plans. The value of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis. The Company has not performed a sensitivity analysis on these mutual funds based on estimated fluctuations in their NAV as in Management's opinion, such analysis would not display a correct picture.

#### **Note 33: Capital Management - Objectives, policies and processes**

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with the guidelines set out by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

No changes were made in the objectives, policies and processes of capital management during the year.

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Equity	1882.54	2348.26
Less : Tangible and other assets (Net)	39.54	56.33
Working Capital	(28.64)	46.18
Investment in debt and similar investments	1871.64	2245.75

#### **Note 34: Particulars of the Firm M/s. Agarwal Brothers**

The Company is a Partner (as certified by a Partner of the Firm/Director of the Company) in the firm M/s Agarwal Brothers. The particulars of the firm are as follows:

Sr. No.	Partners	Share of Profit (%)	Capital as at 31/03/2020	Capital as at 31/03/2019
1	Shri Gauriduttji Mittal (HUF)	10	-	-
2	Shri Govindramji Mittal (HUF)	5	-	-
3	Shri Brahmadduttji Mittal (HUF)	10	-	-
4	Shri Shankarlalji Mittal (HUF)	3	-	-
5	Shri Vishwanathiji Mittal (HUF)	9	-	-
6	Smt. Kantadevi Mittal	10	-	-
7	Smt. Pushpa Mittal	3	-	-
8	The Hindustan Housing Co. Limited	50	-	-

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note 35:** The Regional Provident Fund Commissioner , Mumbai (RPFO) vide his Order dated 24.09.2013 had directed the Company to pay Provident Fund dues amounting to Rs. 23.55 Lakhs in respect of certain contract workers, retrospectively w.e.f. 01.04.1999 onwards. The RPFO has fully recovered the said amount from the Company. The Company had preferred an Appeal against the Order before the EPF Appellate Tribunal, New Delhi (EPFAT). The Employee Provident Fund Appellate Tribunal (EPFAT) has passed Order dated 10.03.2016, setting aside the Order passed by the RPFO (Mumbai) and remitted the case back to RPFO (Mumbai) to dispose it off afresh in accordance with law. In the fresh proceedings which were initiated against the Company, the RPFC (Mumbai) vide his Order dated 27.12.2019 has held that the provisions of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 are applicable to the Company. Pending reassessment by the RPFO, the amount so recovered has been disclosed under "Long Term Loan & Advances". The interest and penalty, if any, payable thereon presently is not ascertainable. The Company has on 06.03.2020 filed an appeal against the aforesaid Order of the RPFC (Mumbai) before the Hon'ble Central Government Industrial Tribunal cum Labour Court No. 2 and the same is pending.

**Note 36: Segment Reporting:**

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

**Note 37: Related Party Disclosure under Ind AS 24:**

(1) Relationships:

a) Key Managerial Personnel

Name	Position held
Minal Bajaj	Executive Director (w.e.f. 01.06.2019)

b) Other Entities/Persons:

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

#Name of the Persons	Position held
Vinaya Mehrotra	Director up to ( 3 <sup>rd</sup> February, 2020)
Vinod Nevatia	Director
Rakesh Gupta	Director (w.e.f. 30 <sup>th</sup> August 2019)
N.G. Tarkas	Director (w.e.f. 3 <sup>rd</sup> February 2020)
Pradeep Dhruva	Company Secretary (upto 30 <sup>th</sup> September 2019)
Bhushan Koli	Company Secretary (w.e.f. 1 <sup>st</sup> October 2019)
Vijay Bohra	Chief Financial Officer

**Note:** Name of the related party and the related party relationship where control exists have been disclosed only when there have been transactions with those parties. Related parties as defined under para 9 of Ind AS 24 "Related Partly Disclosures" have been

**THE HINDUSTAN HOUSING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

identified by the Company based on representations made by key managerial personnel and information available with the Company and relied upon by the Auditors.

#Details of sitting fee paid and remuneration paid have been given in the extracts of Annual Return in Form No MGT 9 appearing in this report.

(2) Transactions carried out with Related Parties referred to in (1) above, in the ordinary course of business:

(Rs. in Lakhs)

Nature of Transaction	Related Parties	
	Referred in 1(a) Above	Referred in 1(b) Above
<b>EXPENDITURE:</b>		
<b>Board Room Compensation</b>		
Bachhraj & Company Pvt. Ltd.	-	<b>3.00</b> (3.00)
<b>INCOME :</b>		
<b>Services Provided/Rendered:</b>		
Jamnalal Sons Pvt. Ltd.	-	<b>8.17</b> (7.95)
Bajaj Holdings & Investment Ltd.	-	<b>136.53</b> (146.46)
Bachhraj& Company Pvt. Ltd.	-	<b>64.40</b> (67.02)
Baroda Industries Pvt. Ltd.	-	<b>21.93</b> (22.86)
Bachhraj Factories Pvt. Ltd.	-	<b>24.57</b> (25.20)
Mukand Ltd.	-	<b>13.65</b> (12.55)
<b>Dividend Received :</b>		
Bajaj Holdings & Investment Ltd.	-	<b>11.16</b> (6.16)
Nature of Transaction	Related Parties	
	Referred in 1(a) Above	Referred in 1(b) Above
<b>Reimbursement of Expenses :</b>		
Jamnalal Sons Pvt. Ltd.	-	<b>2.23</b> (2.69)
Bachhraj & Company Pvt. Ltd.	-	<b>2.15</b> (2.55)
Baroda Industries Pvt. Ltd.	-	<b>0.67</b> (0.81)
Bachhraj Factories Pvt. Ltd.	-	<b>0.63</b> (0.78)
Mukand Ltd.	-	<b>0.06</b> (0.05)

## THE HINDUSTAN HOUSING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

<b>Payable Deposits / Advances :</b>		
Jamnalal Sons Pvt. Ltd.	-	<b>11.10</b> (11.57)
Bachhraj Factories Pvt. Ltd.	-	<b>12.59</b> (13.62)
Bajaj Holdings and Investment Ltd.	-	<b>38.57</b> (44.52)
Bachhraj & Company Pvt. Ltd.	-	<b>29.58</b> (32.42)
Baroda Industries Pvt. Ltd.	-	<b>4.95</b> (5.81)
Mukand Ltd.	-	<b>2.55</b> (5.10)

Figures in brackets refer to the amount paid in the previous year.

All figures above are net of GST.

**Note 38:**

- a) "Sundry Creditors" in Note '17' to Account include (i) Rs.0.04 (31.03.2019 Rs. 0.19) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) Act; and (ii) Rs.5.17 (31.03.2019 Rs. 3.36) due to other creditors.
  
- b) During the year, no amounts have been paid beyond the appointed day in terms of MSME Act and there are no amounts paid towards interest. Further, there is no interest accrued / payable under the said MSME Act as at the close of the year. The above disclosure is based on the information available with the Company regarding the status of the suppliers under the MSME Act. The amount due to the micro and small enterprises is towards retention as per terms.

**Note 39:** In the opinion of the Board of Directors, all items of Current Assets, Loans and Advances continue to have a realizable value of at least the amounts at which they are stated in the Balance Sheet, unless otherwise stated.

**Note 40:** Balances of Loans and advances, and Sundry Deposits are subject to confirmation and are as per books of account only. However, in the opinion of management, the reconciliation will not have any material impact on profitability of the Company for the year.

**Note 41:** The provisions of Section 135 of the Companies Act, 2013 read together with the rules framed there under relating to Corporate Social Responsibility initiatives which need to be undertaken by specified companies are at present not applicable to the Company.

**Note 42:** In view of pandemic relating to COVID-19, the Company has considered internal and external information and has performed analysis based on current estimates in assessing the recoverability of trade receivables, unbilled receivables and other financial assets, for possible impact on the Financial Statements. Considering the nature of business of the Company, the Company continues to actively manage its business during COVID-19 pandemic and has not yet experienced significant changes/adverse impact on the business than estimated earlier. In assessing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, nothing has

**THE HINDUSTAN HOUSING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

come to the attention of the Company through internal and external sources, which warrants a reassessment of carrying amounts of financial and non-financial assets on the expected future performance of the Company. However, the situation with COVID-19 pandemic is still evolving leading to a highly uncertain economic environment. Consequently, the Management's assessment of the impact on of the pandemic in the subsequent period is dependent upon the circumstances as they evolve. The Company will continue to closely monitor future economic conditions from time to time.

**Note 43:** Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

**Girish M. Pathak**  
*Partner*  
Membership No.102016  
For & on Behalf of  
**K K MANKESHWAR & CO.**  
*Chartered Accountants*  
Firm Registration  
No.106009W

**Vinod Nevatia**  
Chairman

**Minal Bajaj**  
Executive Director

**Vijay Bohra**  
Chief Financial Officer

**Bhushan Koli**  
Company Secretary

Mumbai: 30<sup>th</sup> June, 2020

Mumbai: 30<sup>th</sup> June, 2020

THE HINDUSTAN HOUSING COMPANY LTD.

(CIN: L45200MH1934PLC002346)

Registered office: Bajaj Bhawan, 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai 400021

Email: bhushan@bajajgroup.net.in , website: www.hhclbajaj.com

Phone: 022 22023626

PROXY FORM

Form No. MGT-11

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

CIN : L45200MH1934PLC002346  
Name of the Company : THE HINDUSTAN HOUSING COMPANY LTD.  
Registered office : Bajaj Bhawan, 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai -400021

Name of the Member (s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No / Clint Id / DP Id : \_\_\_\_\_

I / We being the member(s) of \_\_\_\_\_ shares of Euro Industrial Enterprises Private Limited, hereby appoint:

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her

2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her

3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighty Fourth Annual General Meeting of the company, to be held on 30th September, 2020, at 3.00 p.m. at Bajaj Bhawan, 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai-400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description	For	Against
<b>Ordinary Business:</b>			
1	Adoption of Financial Statements of the Company for the FY ended on 2019-2020 and the Directors' and Auditors' Report thereon.		
2	Re-appointment of Minal Bajaj (DIN: 00222469) who retires by rotation, as a Director of the Company.		
<b>Special Business:</b>			
1	Appointment of Nikhil Tarkas (DIN: 00338087) as a Non-Exccutive Non-Independent Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Folio No. \_\_\_\_\_

Signature of Shareholder(s)

1. \_\_\_\_\_

Signature of Proxy Holder(s)

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Affix Revenue  
Stamp of ₹ 1

Note:

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

# THE HINDUSTAN HOUSING COMPANY LTD.

(CIN: L45200MH1934PLC002346)

Registered office: Bajaj Bhawan, 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai 400021

## 84<sup>th</sup> Annual Report 2019-2020

### BALLOT FORM (In lieu of E-voting)

Name of the Member (s) : \_\_\_\_\_  
Registered address of the Sole/First  
named Shareholder : \_\_\_\_\_  
Name(s) of the Joint Shareholder(s) If any : \_\_\_\_\_  
Folio No / Clint Id / DP Id : \_\_\_\_\_  
No. of Shares held : \_\_\_\_\_

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of Eighty Fourth Annual General Meeting of the Company to be held on, **Wednesday, 30<sup>th</sup> September, 2020**, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Item No.	Description	No. of Equity Shares	I/We assent to the resolution. (FOR)	I/We dissent to the resolution. (AGAINST)
1	Adoption of Financial Statements of the Company for the FY ended on 2019-2020 and the Directors' and Auditors' Report thereon.			
2	Re-appointment of Minal Baja (DIN: 00222469) who retires by rotation, as a Director of the Company.			
3	Appointment of Nikhil Tarkas (DIN: 00338087) as a Non-Executive Non-Independent Director of the Company			

Date:

Place:

Signature of the Shareholder

**Note:** Kindly read the instructions before filling the form. Only valid Ballot Forms received by the Scrutiniser by 5.00 p.m. on 29<sup>th</sup> September, 2020 shall be considered.

### INSTRUCTIONS

- Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, M/s Swati Nerurkar & Co., Company Secretaries, (ACS No.18110 CP No. 8193), C/o Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp Vasant Oasis, Makwana Road, Marol Andheri (E), Mumbai- 400 059 or to her email: [swati@swatinerurkar.com](mailto:swati@swatinerurkar.com), so as to reach by 5.00 p.m. on 29th September, 2020. Ballot Form received thereafter will strictly be treated as if not received.
- The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
- Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
- In the event a member casts his votes through both the processes, i.e., e-voting and Ballot Form, the votes in the electronic system will be considered and the Ballot Form will be ignored.
- The right of voting by Ballot Form shall not be exercised by a proxy.
- There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
- In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
- Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
- Shareholders, who wish to opt for E-voting, may log onto [www.evotingindia.com](http://www.evotingindia.com) and follow the procedure given in the Notice of Annual General Meeting which is also placed on the website of the Company.

**THE HINDUSTAN HOUSING COMPANY LIMITED**

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

**Attendance Slip**

To be handed over at the entrance at the Meeting Hall

I/We hereby record my/our presence at the Eighty Fourth Annual General Meeting held at Bajaj Bhavan, 2nd floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021, at 3.00 p.m. on Wednesday, 30th September, 2020

Name/s of Shareholder/s

Folio No

\_\_\_\_\_  
Name of Proxy (In Block Letters)

(To be filled in if the proxy attends instead of the member)

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