

NOTICE

NOTICE is hereby given that the Seventy Fourth Annual General Meeting of the Members of The Hindustan Housing Company Ltd. will be held on Saturday, 25th September, 2010, at 11.30 a.m. at the Registered Office of the Company at Bajaj Bhavan, 2nd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400-021, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Vinod Nevatia, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office for the period commencing from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

NOTES :

1. **NOTICE** is also hereby given that the Register of Members of the Company will remain closed from 22nd September, 2010 to 25th September, 2010 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The Proxy Forms in order to be valid and effective, should be deposited at the Registered Office of the Company not less than Forty-eight hours before the commencement of the meeting.
4. Members are requested to notify the change in their address, if any, to the Company immediately.

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

Niraj Bajaj
Director

Mumbai : 13th August, 2010.

DIRECTORS' REPORT

Your Directors present their Seventy Fourth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

1. **Financial Results :**

	F. Y. <u>2009-2010</u> Rs.	F. Y. <u>2008-2009</u> Rs.
Profit for the year before tax	44,18,652	17,38,493
Less : Provision for Taxation	7,57,344	4,51,174
Profit after tax	<u>36,61,308</u>	<u>12,87,319</u>
 <u>Add/(Less) :</u>		
Excess Depreciation Written back in respect of earlier years	92, 296	—
Balance brought forward from Previous year	1,70,64,267	1,57,76,948
Balance available for appropriation	<u>2,08,17,871</u>	<u>1,70,64,267</u>
 <u>Less : Appropriations:</u>		
Proposed Dividend	----	----
Tax on Proposed Dividend	----	----
Transfer to General Reserve	----	----
Balance carried to Balance Sheet	<u>2,08,17,871</u>	<u>1,70, 64,267</u>

2. **Dividend :**

The Board of Directors of the Company do not recommend dividend on Equity Shares for the year ended 31st March, 2010.

3. **Directors :**

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

4. **Particulars of employees :**

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

5. **Other Information :**

The Company being a Service Company and not having carried out any manufacturing activities during the year under review, the Directors have nothing to report on 'Conservation of Energy' 'Research & Development' and 'Technology Absorption' as required to be given under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

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

6. **Directors' Responsibility Statement :**

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made therefrom;
- b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended as at 31st March, 2010 and of the profit of the Company for the said period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis.

7. **Auditors :**

M/s. Dalal & Shah, Chartered Accountants, (Firm Registration Number 102021 W) Mumbai, Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to appoint Auditors of the Company for the period from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

8. **Group :**

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising "Group" as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

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

Niraj Bajaj
Chairman

Mumbai : 13th August, 2010

Constituents of 'Group' as defined in MRTP Act, 1969 for the purposes of SEBI (SAST) Regulations, 1997

Persons constituting "Group" within the definition of Group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following :

1	ANANT BAJAJ	37	BAJAJ FINANCIAL SECURITIES LTD.
2	DEEPA BAJAJ	38	BAJAJ FINANCIAL SOLUTIONS LTD.
3	GEETIKA BAJAJ	39	BAJAJ FINSERV LTD.
4	KIRAN BAJAJ	40	BAJAJ HOLDINGS & INVESTMENT LTD.
5	KRITI BAJAJ	41	BAJAJ INTERNATIONAL PVT LTD.
6	KUMUD BAJAJ	42	BAJAJ SEVASHRAM PVT. LTD.
7	MADHUR BAJAJ	43	BARODA INDUSTRIES PVT. LTD.
8	MINAL BAJAJ	44	HERCULES HOISTS LTD.
9	NIMISHA BAJAJ	45	HIND MUSAFIR AGENCY LTD.
10	NIRAJ BAJAJ	46	JAMNALAL SONS PVT LTD.
11	NIRAVNAYAN BAJAJ	47	KAMALNAYAN INVESTMENT & TRADING PVT LTD
12	POOJA BAJAJ	48	MADHUR SECURITIES PVT LTD
13	RAHULKUMAR BAJAJ	49	MUKAND ENGINEERS LTD.
14	RAJIVNAYAN BAJAJ	50	MUKAND LTD
15	RISHAB BAJAJ	51	NIRAJ HOLDINGS PVT LTD
16	RUPARANI BAJAJ	52	RAHUL SECURITIES PVT LTD
17	SANJALI BAJAJ	53	SANRAJ NAYAN INVESTMENTS PVT LTD
18	SANJIVNAYAN BAJAJ	54	SHEKHAR HOLDINGS PVT LTD
19	SHEFALI BAJAJ	55	SHISHIR HOLDINGS PVT LTD
20	SHEKHAR BAJAJ	56	THE HINDUSTAN HOUSING CO LTD
21	SIDDHANT BAJAJ	57	ANANT TRADING COMPANY
22	SUNAINA KEJRIWAL	58	BACHHRAJ TRADING COMPANY
23	MANISH KEJRIWAL	59	BAJAJ TRADING COMPANY
24	ARYAMAN KEJRIWAL	60	RISHAB TRADING COMPANY
25	NEELIMA BAJAJ SWAMY	61	ANANT TRUST
26	ADITYA SWAMY	62	ARYAMAN TRUST
27	BACHHRAJ AND COMPANY PVT LTD	63	DEEPA TRUST
28	BACHHRAJ FACTORIES PVT. LTD.	64	GEETIKA TRUST
29	BAJAJ ALLIANZ FINANCIAL DISTRIBUTORS LTD	65	KRITI TRUST
30	BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LTD.	66	MINAL TRUST
31	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	67	NEELIMA TRUST
32	BAJAJ AUTO EMPLOYEES' WELFARE FUNDS	68	NIMISHA TRUST
33	BAJAJ AUTO FINANCE LTD.	69	NIRAVNAYAN TRUST
34	BAJAJ AUTO HOLDINGS LTD	70	RISHABNAYAN TRUST
35	BAJAJ AUTO LTD.	71	SANJALI TRUST
36	BAJAJ ELECTRICALS LTD.	72	SIDDHANT TRUST

Note : Shareholdings of HUF's are held in the names of the respective individuals in the capacity of Karta. Hence HUF's are not separately listed hereinabove.

**AUDITORS' REPORT TO THE MEMBERS OF THE HINDUSTAN HOUSING COMPANY
LIMITED**

1. We have audited the attached Balance Sheet of The Hindustan Housing Company Limited as at 31st March, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified

as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

S.Venkatesh
Partner
Membership Number: 037942

Mumbai: 13th August, 2010

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, fixed assets are physically verified by the Management once every two years, which, in our opinion, is reasonable, looking to the size of the Company and the nature of assets. According to the information and explanations given to us, no such verification was conducted during the year.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. The Company does not have any inventory.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The Company does not have any Inventory and there were no sale of goods during the year. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weaknesses have been noticed or reported.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rupees Five Lac in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. (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 the undisputed

statutory dues of Provident Fund, Investor Education and Protection Fund, Income-tax, Wealth tax, Service tax, Cess and other material statutory dues as applicable with the appropriate authorities in India. As explained to us, the Employees State Insurance Scheme is, at present, not applicable to the Company. Looking to the activities being carried on by the Company at present, there were no dues towards Sales tax, Custom duty and Excise duty.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Sales tax, Income-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
9. The Company has no accumulated losses as at 31st March 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
 10. On the basis of the records examined by us and the information and explanations given to us, there were no dues to banks, financial institutions or debenture holders;
 11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 12. In respect of shares, securities, debentures and other investments dealt or traded by the Company, proper records have been maintained in respect of the transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name.
 13. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
 14. The Company has not obtained any term loans.
 15. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
 16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
 17. The Company has not issued any debentures during the year.
 18. The Company has not raised any money by public issues during the year.
 19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud

on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

20. The other clauses, (ii) (b), (ii) (c), (iii)(b), (iii)(c), (iii)(d), (iii) (f), (iii) (g), (viii) and (xiii) of paragraph 4 of the Order are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

S.Venkatesh
Partner
Membership Number: 037942

Mumbai: 13th August, 2010

THE HINDUSTAN HOUSING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	<u>Schedule</u> <u>No.</u>	As at <u>31/03/2010</u> <u>Rs.</u>	As at <u>31/03/2009</u> <u>Rs.</u>
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	608,645	608,645
b) Reserves and Surplus	2	23,538,300	19,784,696
2. DEFERRED TAX LIABILITY (Net)		559,933	1,252,589
TOTAL		<u>24,706,878</u>	<u>21,645,930</u>
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS :			
Gross Block	3	17,482,171	13,275,159
Less : Depreciation		<u>4,818,149</u>	<u>5,243,479</u>
Net Block		12,664,022	8,031,680
2. INVESTMENTS	4	10,085,152	15,245,595
3. CURRENT ASSETS, LOANS AND ADVANCES :			
a) Sundry Debtors		8,310,610	3,132,776
b) Cash and Bank Balances		1,387,881	907,363
c) Other Current Assets		135,639	135,370
d) Loans and Advances		<u>4,180,705</u>	<u>3,559,736</u>
		14,014,835	7,735,245
Less : CURRENT LIABILITIES AND PROVISIONS :	6		
a) Current Liabilities		8,218,823	6,865,776
b) Provisions		<u>3,838,308</u>	<u>2,500,814</u>
		12,057,131	9,366,590
Net Current Assets		1,957,704	(1,631,345)
TOTAL		<u>24,706,878</u>	<u>21,645,930</u>

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

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As per our report of even date
For **DALAL & SHAH**
Firm Registration No.102021W
Chartered Accountants

S. Venkatesh
Partner
Membership No. : 037942
Mumbai : 13th August, 2010

For and on behalf of the Board
Niraj Bajaj
Chairman

Vinaya Mehrotra
Director

Vinod Nevatia
Director

Mumbai : 13th August, 2010

THE HINDUSTAN HOUSING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	<u>Schedule</u>	<u>2009-2010</u>	<u>2008-2009</u>
	<u>No.</u>	<u>Rs.</u>	<u>Rs.</u>
INCOME :			
Receipts from Services Provided	7	22,141,548	14,042,368
Other Income	8	461,872	634,890
Profit on Sale of Long Term Investment		1,900,664	-
		<u>24,504,084</u>	<u>14,677,258</u>
EXPENDITURE :			
Employees' Emoluments	9	4,732,691	3,975,772
Other Expenses	10	14,814,324	8,473,739
Depreciation		538,417	489,254
		<u>20,085,432</u>	<u>12,938,765</u>
Profit for the year before tax		4,418,652	1,738,493
Provision for taxation :			
Current Tax		1,450,000	450,000
Deferred Tax (Credit)		(692,656)	(25,826)
Fringe Benefits Tax		-	27,000
		<u>757,344</u>	<u>451,174</u>
Profit for the year before earlier year adjustment		3,661,308	1,287,319
Excess Depreciation written back in respect of earlier years		92,296	-
Net Profit		3,753,604	1,287,319
Balance brought forward from Previous Year		17,064,267	15,776,948
BALANCE AVAILABLE FOR APPROPRIATION		20,817,871	17,064,267
APPROPRIATION:			
Proposed Dividend			-
Tax on Proposed Dividend			-
Transfer to General Reserve			-
Balance carried to Balance Sheet		20,817,871	17,064,267
Weighted average number of Equity Shares outstanding during the year		24,200	24,200
Basic and Diluted Earnings per share after considering Profit on Sale of Investments		155.11	53.20
Nominal Value per Share		25.00	25.00
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Accounts	11		

As per our report of even date
For **DALAL & SHAH**
Firm Registration No.102021W
Chartered Accountants

S. Venkatesh
Partner
Membership No. : 037942
Mumbai : 13th August, 2010

For and on behalf of the Board
Niraj Bajaj
Chairman

Vinaya Mehrotra
Director

Vinod Nevatia
Director

Mumbai : 13th August, 2010

THE HINDUSTAN HOUSING COMPANY LIMITED

**SCHEDULES '1' TO '11' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<u>As at</u> <u>31/03/2010</u> <u>Rs.</u>	<u>As at</u> <u>31/03/2009</u> <u>Rs.</u>
<u>SCHEDULE '1'- SHARE CAPITAL :</u>		
<u>AUTHORISED :</u>		
40,000 Equity Shares of Rs.25/- each	<u>1,000,000</u>	<u>1,000,000</u>
<u>ISSUED :</u>		
24,531 Equity Shares of Rs.25/- each	<u>613,275</u>	<u>613,275</u>
<u>SUBSCRIBED AND PAID UP :</u>		
24,200 Equity Shares of Rs.25/- each, fully paid up.	605,000	605,000
Add : Forfeited Shares (amounts originally paid up)	<u>3,645</u>	<u>3,645</u>
	<u>608,645</u>	<u>608,645</u>

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

SCHEDULE '2'- RESERVES AND SURPLUS :

General Reserve		
As per last account	2,720,429	2,720,429
Add : Transfer from Profit and Loss Account	<u>-</u>	<u>-</u>
	2,720,429	2,720,429
Surplus as per Profit and Loss Account	<u>20,817,871</u>	<u>17,064,267</u>
	<u>23,538,300</u>	<u>19,784,696</u>

THE HINDUSTAN HOUSING COMPANY LIMITED

SCHEDULE '3' - FIXED ASSETS :

(Amount in Rupees)

ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01/04/2009	Addition / Adjustment	(Deduction) / Adjustment	As at 31/03/2010	Upto 31/03/2009	For the Year	(Deduction) / Adjustment	Up to 31/03/2010	As at 31/03/2010	As at 31/03/2009
Premises on Ownership basis in a Co-operative Society *	5,394,176	3,829,979	2,116,294	7,107,861	940,838	82,865	348,272	675,431	6,432,430	4,453,338
Lift	1,063,686	-	-	1,063,686	523,190	50,525	-	573,715	489,971	540,496
Furniture, Fixture and Equipments	3,154,358	3,217,576	957,845	5,414,089	1,841,309	244,283	615,475	1,470,117	3,943,972	1,313,049
Air Conditioner Plant	660,237	203,096	-	863,333	299,825	32,165	-	331,990	531,343	360,412
Office Equipments	1,074,675	-	-	1,074,675	351,021	50,376	-	401,397	673,278	723,654
Computers	1,028,063	30,500	-	1,058,563	847,187	36,949	-	884,136	174,427	180,876
Electrical Equipment	899,964	-	-	899,964	440,109	41,254	-	481,363	418,601	459,855
Total	13,275,159	7,281,151	3,074,139	17,482,171	5,243,479	538,417	# 963,747	4,818,149	12,664,022	8,031,680
Previous Year's Total	13,269,098	6,061	-	13,275,159	4,754,225	489,254	-	5,243,479	8,031,680	

Note :

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

Includes excess depreciation written back Rs.92,296/- (P.Y.Rs.Nil) .

THE HINDUSTAN HOUSING COMPANY LIMITED

<u>SCHEDULE ' 4 ' - INVESTMENTS (Non-Trade Investments) :</u>	<u>As at</u>	<u>31/03/2010</u>	<u>As at</u>	<u>31/03/2009</u>
	<u>Rs.</u>		<u>Rs.</u>	
I LONG TERM INVESTMENTS (At Cost):				
Shares (Quoted) :	<u>Nos.</u>		<u>Nos.</u>	
*Bajaj Holdings & Investment Limited (BHIL) (Equity Shares of Rs.10/- each fully paid up)	7,200	24,366	7,200	24,366
*Bajaj Finserv Limited (Equity Shares of Rs.5/- each fully paid up)	7,200	9,229	7,200	9,229
*Bajaj Auto Limited (Equity Shares of Rs.10/- each fully paid up)	7,200	9,530	7,200	9,530
* Received on demerger of BHIL (erstwhile Bajaj Auto Limited)		43,125		43,125
Units of Mutual Fund of Rs. 10/- each (Unquoted) :				
1. Reliance Equity Opportunities Fund - Growth Plan (NAV Rs. 313,830/- ; P.Y.Rs.405,780/-)	10,094.711	100,947	30,000.000	300,000
2. Reliance Diversified Power Sector Fund - Growth Plan (NAV Rs.3,513,888/- ; P.Y.Rs.1,792,242/-)	44,369.903	500,000	44,369.903	500,000
3. Reliance Equity Fund - Growth Plan (NAV Rs.2,675,632/- ; P.Y.Rs.1,676,141/-)	180,459.180	1,804,592	180,459.180	1,804,592
4. Reliance Fixed Horizan Fund -IX Series 2- -Institutional Growth Plan (NAV Rs.NIL ; P.Y.Rs.11,985,421 /-)	-	-	1,111,840.773	11,118,408
5. Principal Large Cap Fund - Growth Plan (NAV Rs.3,761,979/- ; P.Y.Rs.1,875,202/-)	144,691.486	1,479,470	144,691.486	1,479,470
		3,885,009		15,202,470
Sub Total - Long Term (I)		3,928,134		15,245,595
II CURRENT INVESTMENTS (At Lower of Cost and Fair Value) :				
Units of Mutual Fund of Rs. 1,000/- each (Unquoted) :				
1. Reliance Money Manager Fund -Institutional Optional - Daily Dividend Plan (NAV Rs.6,158,263/- ; P.Y.Rs NIL /-)	6,150.029	6,157,018	-	-
Sub Total - Current (II)		6,157,018		-
Grand Total (I +II)		10,085,152		15,245,595

Notes:

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

2.

	Book Value (Rs.)		Market Value (Rs.)	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
Quoted Investment	43,125	43,125	21,261,600	7,803,720
Aggregate Unquoted Investments	10,042,027	15,202,470		
	10,085,152	15,245,595		

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

	Nos.	Purchase Value Amount (Rs.)
Mutual Fund Units		
Reliance Money Manager Fund -Institutional Optional -Daily Dividend Pl	7,491.487	7,500,000

THE HINDUSTAN HOUSING COMPANY LIMITED

**SCHEDULE ' 5 ' - CURRENT ASSETS, LOANS
AND ADVANCES :**

	<u>As at</u> 31/03/2010	<u>As at</u> 31/03/2009
	<u>Rs.</u>	<u>Rs.</u>
a) <u>Sundry Debtors :</u>		
(Unsecured, considered good, unless otherwise specified)		
Debts outstanding for a period exceeding six months	1,994	350,312
Other Debts	8,308,616	2,782,464
(Includes Rs. 1,748,011/- from Private Companies in which the Directors of the Company are Director/Member ; P.Y.Rs 606,723/-)	8,310,610	3,132,776
b) <u>Cash and Bank Balances :</u>		
Cash on hand	4,297	16,460
Balances with a Scheduled Bank:		
In Current Accounts	1,383,584	890,903
	1,387,881	907,363
c) <u>Other Current Assets :</u>		
Interest Receivable	47,278	40,744
Expenses Recoverable (Includes Rs.12,629/- from Private Companies in which the Directors of the Company are Directors/Member ; P.Y.Rs.10,538/-)	88,361	94,626
	135,639	135,370
d) <u>Loans and Advances :</u>		
(Unsecured, considered good, unless otherwise specified)		
Loans to employees	42,800	53,900
Advances recoverable in cash or in kind or for value to be received	175,834	319,808
Sundry Deposits	1,049,647	1,049,647
Advance Payment of Tax (including Tax Deducted at Source)	2,912,424	2,136,381
	4,180,705	3,559,736
	14,014,835	7,735,245

THE HINDUSTAN HOUSING COMPANY LIMITED

	<u>As at</u> <u>31/03/2010</u> <u>Rs.</u>	<u>As at</u> <u>31/03/2009</u> <u>Rs.</u>
<u>SCHEDULE ' 6 ' - CURRENT LIABILITIES AND PROVISIONS :</u>		
a) <u>Current Liabilities :</u>		
Sundry Creditors [Refer Note B (9)]	-	2,258,055
Advances / Deposits received against Services to be provided	27,000	4,335,083
Unclaimed Dividends *	-	72,765
Other Liabilities	507,368	199,873
	<u>534,368</u>	<u>6,865,776</u>
b) <u>Provisions :</u>		
Provision for Taxation	-	1,880,940
Provision for Leave Encashment	-	619,874
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
	<u>-</u>	<u>2,500,814</u>
	<u>534,368</u>	<u>9,366,590</u>

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

THE HINDUSTAN HOUSING COMPANY LIMITED

	<u>2009-2010</u>	<u>2008-2009</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>SCHEDULE ' 7 ' - RECEIPTS FROM SERVICES PROVIDED :</u>		
ADMINISTRATIVE AND ALLIED SERVICES :		
Airconditioning Service Charges	6,751,098	6,629,041
Lift Service Charges	103,720	104,412
Computer Service Charges	358,399	196,117
Communication Service Charges	907,579	810,850
General Administration Service Charges	8,017,540	3,032,532
Photocopying Service Charges	168,561	180,295
Housekeeping Service Charges	1,021,520	953,836
Dining Room Service Charges	4,399,811	1,721,965
Strong Room Service Charges	53,320	53,320
Board Room Compensation	360,000	360,000
	<u>22,141,548</u>	<u>14,042,368</u>

	<u>2009-2010</u>	<u>2008-2009</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>SCHEDULE ' 8 ' - OTHER INCOME :</u>		
Dividend :		
Long Term Investments	237,600	295,200
Current Investments	<u>157,018</u>	<u>279,349</u>
	394,618	574,549
Interest-Others (TDS Rs.5253/-, P.Y. Rs.23692/-)	56,438	60,341
Provision No Longer Required	10,816	-
	<u>461,872</u>	<u>634,890</u>

<u>SCHEDULE ' 9 ' - EMPLOYEES' EMOLUMENTS :</u>		
Salaries, Allowances, Bonus, etc.	3,508,949	3,153,241
Contribution to Provident and Other Funds (Defined Benefit Plan)	806,563	467,959
Staff Welfare Expenses	417,179	354,572
	<u>4,732,691</u>	<u>3,975,772</u>

THE HINDUSTAN HOUSING COMPANY LIMITED

SCHEDULE ' 10 ' - OTHER EXPENSES :

Electricity and Power	4,884,129	5,074,660
Repairs	1,495	9,620
Insurance	9,138	7,157
Rates and Taxes	441,036	492,562
Maintenance and Service Contract Charges	390,001	465,049
Compensation paid for use of Premises	300,000	300,000
Travelling and Conveyance	42,070	74,989
Telephone and Postage	37,060	34,058
Legal and Professional Charges	231,144	95,687
Directors' Sitting Fees	15,000	19,000
Auditors' Remuneration :		
Fees as Auditors	44,120	27,575
Fees as Tax Auditors	4,964	4,964
Fees for other work	15,573	11,796
Out of Pocket Expenses	2,400	2,828
	67,057	47,163
Printing and Stationery	33,489	24,580
Advertisement	23,444	20,250
Housekeeping Charges	851,267	776,864
General Administration Service Expenses	483,602	575,272
Repairs & Maintenance - Premises	4,723,420	
Miscellaneous Expenses	309,065	146,756
Loss on Sale of Current Investments	-	4,288
Loss on Assets Sold/ Discarded	1,571,540	-
Income Tax Refund Receivable written off	-	89,445
Photocopying expenses	188,049	197,539
Computer Expenses	212,318	18,800
	14,814,324	8,473,739

THE HINDUSTAN HOUSING COMPANY LIMITED

SCHEDULE 11

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

A. Significant Accounting Policies:

1. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act 1956.

2. Use of Estimates:

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

3. Recognition of Revenue and Expenditure:

- a. Income from rendering of services is recognised in the year in which the service is performed as per the proportionate completion method.
- b. All other revenues/incomes and costs/expenditure are generally accounted on accrual, as they are earned or incurred.
- c. Dividend income is recognised in the year in which the right to receive dividend is established.

4. Employee Benefits:

- a. **Short term employee benefits** are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered;
- b. **Post employment benefits:**

Defined benefit plans:

-Gratuity

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

and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In the case of gratuity which is funded with the Life Insurance Corporation of India, 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;

-Provident Fund

Monthly contributions are made to a Trust, constituted for the benefit of the employees. The interest rate payable by the Trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate.

- c. **Long term compensated absences** are provided on the basis of an actuarial valuation;
- d. **Termination Benefits** are recognised as an expense in the Profit and Loss Account of the year in which they are incurred.

5. Fixed Assets and Depreciation:

a. Fixed Assets:

Fixed Assets are carried at cost of acquisition less accumulated depreciation.

b. Depreciation:

- i. Depreciation is provided as per the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956, on the Straight Line Method.
- ii. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition or upto the month of such sale/disposal as the case may be.

6. Investments:

Investments are classified into Long-term and Current Investments. Long Term Investments are stated at cost of acquisition. Diminution, if any, in the value of Long Term Investments, other than temporary, is provided for each investment individually. Current Investments are stated at lower of cost and fair value.

7. Taxation:

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

- a) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year.
- b) Deferred Tax is recognized on timing difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent period(s). The Deferred tax Asset and Deferred tax

Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is a virtual certainty of its realisation supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date the carrying amount of deferred tax assets are reviewed to reassure realisation.

8. Provisions Contingent Liabilities and Contingent Assets:

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

B. Notes Forming Part of the Accounts:

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

Sr. No.	Partners	Share of Profit (%)	Capital as at 31/03/2010 Rs.	Capital as at 31/03/2009 Rs.
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	-	-

2. Contingent liability not provided for consists of disputed demand in respect of provident fund dues of certain contractors' employees. The amount thereof is not ascertainable, at present.

3. The disclosures in respect of Defined Benefit Gratuity Plan (to the extent of information made available by LIC) are given below:

	Particulars	2009-2010 (Rs.)	2008-2009 (Rs.)
(i)	Changes in Present Value of Obligations		
	Present Value of Obligations at beginning of the year	1,368,809	1,108,726
	Interest cost	106,170	88,698
	Current service cost	130,454	112,992
	Benefits paid	(83,362)	-
	Actuarial Losses / (Gains)	119,665	58,393
	Present Value of Obligations at end of the year	1,641,736	1,368,809
(ii)	Changes in Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of the year	1,497,231	1,144,905
	Expected Return on Plan Assets	143,700	114,300
	Contributions	230,905	249,974
	Benefits paid	(83,362)	-
	Actuarial Gain / (Losses) on Plan Assets	(21,742)	(11,948)
	Fair Value of Plan Assets at end of the year	1,766,732	1,497,231
(iii)	Amount to be recognized in the Balance Sheet		
	Present Value of Obligations at end of the year	1,641,736	1,368,809
	Fair Value of Plan Assets at end of the year	1,766,732	1,497,231
	Net Asset / (Liability) recognized in the Balance Sheet	124,996	128,422
(iv)	Expenses to be recognized in the statement of Profit and loss Account		
	Current Service Cost		112,992
		130,454	
	Interest Cost	106,170	88,698
	Expected Return on Plan Assets	(143,700)	(114,300)
	Net Actuarial Losses / (Gains)	141,407	70,341
	Expenses recognized in the statement of Profit and loss Account	234,331	157,731
(v)	Assumptions:		
	Mortality	LIC(1994-96) Ult	LIC(1994-96) Ult
	Discount Rate	8%	8%
	Rate of increase in compensation *	5%	5%
	Expected rate of Return on Assets	9.15%	9%
	Withdrawal rates	0.80%	0.80%

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

4. 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.

5. Related Party disclosures:

1) Relationships:

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

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

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

- i) Mr. Niraj Bajaj
- ii) Jamnalal Sons Private Limited
- iii) Mukand Limited
- iv) Baroda Industries Private Limited
- v) Bajaj International Private Limited
- vi) Emerald Acres Private Limited

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

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

	Referred in 1(a) above	Referred in 1(b) above
Expenditure :		
Board Room Compensation		
Bachhraj & Company Private Limited	300,000 (300,000)	
Directors Sitting Fees		
Shri Niraj Bajaj		5,000 (2,000)
Income :		
Services Provided		
Bachhraj & Company Private Limited		3,040,104 (1,846,340)
Others		2,631,823 (1,481,627)

Other Receipt: :		
Reimbursement of Expenses		
Bachhraj & Company Private Limited		23,562
		(23,943)
Mukand Limited		21,429
		(25,294)
Others		22,067
		(27,167)
Outstandings :		
Receivable		
Bachhraj & Company Private Limited		962,014
		(331,262)
Mukand Limited		879,618
		(581,127)
Others		449,456
		(162,103)
Payable (Deposits)		
Bachhraj & Company Private Limited		418,970
		(507,242)
Mukand Limited		551,870
		(695,380)
Others		480,830
		(594,198)

Figures in brackets relate to previous year.

6. Deferred Tax:

	As at	As at	As at
	31-3-2010	31-3-2009	31-3-2008
	(Rs.)	(Rs.)	(Rs.)
(i) Deferred tax liability on account of: Depreciation	869,020	1,444,130	1,453,540
(ii) Deferred tax asset on account of Employee benefits	(309,087)	(191,541)	(175,125)
Deferred Tax Liability (Net)	559,933	1,252,589	1,278,415

7. (a) "Sundry Creditors" in Schedule '6' to Account include (i) Rs. Nil (31.03.2009 Rs. Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) ; and (ii) Rs. 4,081,680/- (31.03.2009 Rs.2,258,055/-) due to other creditors.
- (b) No interest is paid / payable during the year.
- (c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of the suppliers under the MSME.
8. Previous year's figures have been regrouped /recast wherever necessary.

As per our report of even date
For DALAL & SHAH
Firm Registration No.102021W
Chartered Accountants

For and on behalf of the Board

Niraj Bajaj
Chairman

S. Venkatesh
Partner
Membership No. : 037942
Mumbai : 13th August, 2010.

Vinay Mehrotrs
Director

Mumbai:

Vinod Nevatia
Director

13th August 2010

THE HINDUSTAN HOUSING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31st March, 2010		Year Ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow arising from Operating Activities				
Net Profit before Tax		4,418,652		1,738,493
Add back :				
a) Depreciation Charge	538,417		489,254	
b) Loss on sale of Current Investments	-		4,288	
c) Loss on Assets Sold / Discarded	1,571,540		-	
d) Income Tax Refund Receivable written off	-		89,445	
		2,109,957		582,987
		6,528,609		2,321,480
Deduct :				
a) Dividend Income	394,618		574,549	
b) Interest Income	56,438		60,341	
c) Profit on sale of Long term Investments	1,900,664		-	
d) Provision no longer required	10,816		-	
		2,362,536		634,890
Operating Cash Profit before Working capital changes		4,166,073		1,686,590
Add : Increase in Trade Payables and provisions		1,882,150		85,029
Deduct :				
a) Increase in Trade and Other Receivables	5,016,495		1,432,367	
b) Decrease in Trade Payables and Provisions			-	
		5,016,495		1,432,367
Cash Inflow From Operations		1,031,728		339,252
Deduct :				
Direct Taxes paid		776,043		640,232
Net Cash (Outflow) in course of Operating Activities		255,685		(300,980)
B. Cash Flow arising from Investing Activities :				
Outflow :				
a) Acquisition of Fixed Assets	7,281,151		6,061	
b) Acquisition of Current Investments (Net)	6,157,018		252,235	
		13,438,169		258,296
Inflow :				
a) Interest received	49,904		72,129	
b) Dividend received	394,618		574,549	
c) Sale of Assets	2,000		-	
d) Sale of Long Term Investments	13,218,125		-	
		13,664,647		646,678
Net Cash Inflow in course of Investing Activities		226,478		388,382
C. Cash Flow arising from Financing Activities:				
Outflow :				
a) Dividend Paid		(1,645)		(107,900)
b) Tax on Dividend Paid		-		(20,564)
Net Cash (Outflow) in course of Financing Activities		(1,645)		(128,464)
Net Increase/(Decrease) in Cash/ Cash Equivalents (A+B+C)		480,518		(41,062)
Add - Balance at the beginning of the year		907,363		948,425
Cash/ Cash Equivalents at the close of the year		1,387,881		907,363

As per our report of even date
For DALAL & SHAH
Firm Registration No.102021W
Chartered Accountants

For and on behalf of the Board

S. Venkatesh
Partner
Membership No. : 037942
Mumbai :

Chairman

Director
Mumbai :

Director

THE HINDUSTAN HOUSING COMPANY LIMITED

Balance Sheet Abstract and Company's General Business Profile

Registration Details

Registration No. State Code

Balance Sheet

Date Month Year

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

Public Issue

Right Issue

Bonus Shares

Private Placement

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

Total Liabilities

Total Assets

Source of Funds

Paid - up Capital

Reserves & Surplus

Deferred Tax Liability

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

Performance of Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

Profit Before Tax

Profit After Tax

Earning per Share in Rs.

Dividend

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

Item Code No. (ITC Code Code)

Product Description