

NOTICE

NOTICE is hereby given that the Seventy Sixth Annual General Meeting of the Members of The Hindustan Housing Company Ltd. will be held on Friday, 14th September, 2012, at 4.00 p.m. at the Registered Office of the Company at Bajaj Bhavan, 2nd floor, Jammalal 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, 2012 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 Sanjivnayan Bajaj, 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 10th September, 2012 to 14th September, 2012 (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 : 12th July, 2012

DIRECTORS' REPORT

Your Directors present their Seventy Sixth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2012.

1. **Financial Results :**

	F. Y. <u>2011-2012</u> Rs.	F. Y. <u>2010-2011</u> Rs.
Profit for the year before tax	6,420,111	3,407,888
Less : Provision for Taxation	<u>1,502,742</u>	<u>7,94,294</u>
Profit after tax	4,917,369	2,613,594
<u>Add/(Less) :</u>		
Tax in respect of earlier years (Net)	298,290	----
Balance brought forward from Previous year	<u>23,431,465</u>	<u>20,817,871</u>
Balance available for appropriation	<u>28,647,124</u>	<u>23,431,465</u>
<u>Less : Appropriations:</u>		
Proposed Dividend		----
Tax on Proposed Dividend		----
Transfer to General Reserve	<u>23,429,571</u>	----
Balance carried to Balance Sheet	<u>5,217,553</u>	<u>23,431,465</u>

2. **Dividend :**

The Board of Directors of the Company do not recommend dividend on Equity Shares for the year ended 31st March, 2012.

3. **Directors :**

Shri Sanjivnayan Bajaj, 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, 2011 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 K.K. Mankeshwar & Co., Chartered Accountants (Regn. No.106009W) Mumbai, Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to appoint Auditors of the Company for the period from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

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

Niraj Bajaj
Chairman

Mumbai : 12th July, 2012

AUDITOR'S REPORT

To The Members of,
THE HINDUSTAN HOUSING COMPANY LIMITED
Mumbai.

We have audited the attached Balance Sheet of **The Hindustan Housing Company Limited**, as at **31st March, 2012** and also the annexed Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the accounting standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. 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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ('the Order') issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to in Paragraph 2 above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report, are in agreement with the books of account of the Company;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement together with the Notes thereon dealt with by this Report, comply with the mandatory accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable;
 - (v) On the basis of written representations received from the Directors of the Company as on 31st March, 2012 and taken on record by the Board of Directors of the Company, we report that no Director is disqualified as on 31st March, 2012 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements, and read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2012;
 - (b) in the case of the Statement of Profit & Loss, of the Profit for the year ended on that date and;
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

GIRISH M. PATHAK

Partner

Membership No.: 102016

For & on behalf of

K.K. MANKESHWAR & CO

Chartered Accountants

FRN 106009W

Mumbai dated the 12th July, 2012.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our report of even date)

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the explanation given to us, the Fixed assets were physically verified by the Management in accordance with a regular programme covering all the assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year. As per the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the information and explanations given by the Management and on the basis of audit procedures performed by us, we are of the opinion that the fixed assets disposed off during the year do not constitute a substantial part of fixed assets of the Company and such disposal has not affected the going concern status of the Company.
- (ii) The Company does not have any Inventory. Consequently, clauses (ii) (a) to (ii) (c) of paragraph 4 of the Companies (Auditor's Report) Order are not applicable to the Company.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii) (a) to (iii) (g) of Paragraph 4 of the Companies (Auditor's Report) Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items of purchase/services availed are of special nature for which suitable alternative sources are not readily available for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to information and explanations given to us.
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register have been so entered.

- (b) Where each of such transaction is in excess of Rupees Five Lacs in respect of any party, transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act 1956 and the rules framed there under.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) (a) According to the information and explanations given to us and the records of the Company examined by the us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Entry Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Service Tax, Entry Tax, Cess and other material statutory dues in arrears as on 31st March,2012 for a period of more than six months from the date they become payable.
- (ix) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (x) On the basis of the records examined by us and the information and explanation given to us, there were no dues to the banks, financial institutions or debenture holders.
- (xi) In our opinion and according to information & explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion and according to information & explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. All the investments are held by the Company, in its own name.
- (xiii) In our opinion and according to information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xiv) The Company has not obtained any term loans during the year.
- (xv) 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.

- (xvi) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act.
- (xvii) According to information and explanations given to us, the Company has not issued any debentures during the year.
- (xviii) The Company has not raised any monies by public issue during the year under review.
- (xix) 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 any fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Looking at the nature of activities being carried on, at present, by the Company, and also considering the nature of matters referred to in various clauses of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004 ('the Order') issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, clauses (viii) & (xiii) of paragraph 4 of the aforesaid Order, are in our opinion, not applicable to the Company.

GIRISH M. PATHAK

Partner

Membership No.: 102016

For & on behalf of

K.K. MANKESHWAR & CO

Chartered Accountants

FRN 106009W

Mumbai dated the 12th July, 2012.

THE HINDUSTAN HOUSING COMPANY LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

	Note No.	As at 31-Mar-2012 ₹	As at 31-Mar-2011 ₹
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a) Share Capital	2	608,645	608,645
b) Reserves & Surplus	3	31,367,553	26,151,894
2. Non-Current Liabilities			
a) Deferred Tax Liabilities (Net)	4	756,969	654,227
b) Other Long Term Liabilities	5	9,861,000	-
c) Long term provisions	6	3,157,024	2,470,869
3. Current Liabilities			
a) Other current liabilities	7	3,722,648	4,454,248
b) Short Term Provisions	8	348,948	177,822
TOTAL		49,822,787	34,517,705
II. ASSETS			
1. Non-Current Assets			
a) Fixed Assets	9		
i) Tangible Assets		14,081,564	12,151,485
ii) Intangible Assets		44,122	-
b) Non-current Investments	10	43,125	43,125
c) Long-term loans and advances	11	10,965,617	3,171,205
2. Current Assets			
a) Current Investments	12	17,989,830	14,359,854
b) Trade Receivables	13	5,679,842	2,985,587
c) Cash and Bank Balances	14	614,215	1,196,831
d) Short term loans and advances	15	208,758	459,691
e) Other Current Assets	16	195,714	149,927
TOTAL		49,822,787	34,517,705
Significant Accounting Policies Adopted by the Company	1		

Notes 1 to 28 form an integral part of the Financial Statements

As per our report of the even date

For The Hindustan Housing Company Ltd.

GIRISH M. PATHAK

Partner

Membership No.102016

For & on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

Firm Registration No.106009W

NIRAJ BAJAJ

Chairman

Vinaya Mehrotra

Director

Vinod Nevatia

Director

Mumbai, dated the 12th July, 2012

Mumbai : 12th July,2012

THE HINDUSTAN HOUSING COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	Note No.	2011-12 ₹	2010-11 ₹
I. Revenue from Operations	17	21,361,995	17,248,059
II. Other Income	18	2,435,199	945,297
III. Total Revenue (I + II)		23,797,194	18,193,356
IV. EXPENSES			
Employee benefits expense	19	7,801,189	5,263,093
Depreciation and Amortization		795,958	677,275
Other expenses	20	8,779,936	8,845,100
Total Expenses		17,377,083	14,785,468
V Profit before Tax (III - IV)		6,420,111	3,407,888
VI Tax Expenses			
(1) Current Tax		(1,400,000)	(700,000)
(2) Deffered Tax		(102,742)	(94,294)
(3) Tax in respect of earlier years (Net)		298,290	-
VII Profit/(Loss) for the period (V - VI)		5,215,659	2,613,594
VIII Earning per Share	21		
(1) Basic		216	108
(2) Diluted		216	108
Significant Accounting Policies Adopted by the Company	1		

Notes 1 to 28 form an integral part of the Financial Statements

As per our report of the even date

For The Hindustan Housing Company Ltd.

GIRISH M. PATHAK

Partner

Membership No.102016

For & on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

Firm Registration No.106009W

Mumbai dated

Mumbai, dated the 12th July, 2012

NIRAJ BAJAJ

Chairman

Vinaya Mehrotra
Director

Vinod Nevatia
Director

Mumbai : 12th July,2012

THE HINDUSTAN HOUSING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
	₹	₹	₹	₹
A. Cash flow arising from Operating Activities				
Net Profit before Tax		6,420,111		3,407,888
Add back :				
a) Depreciation Charge	795,958		677,275	
b) Loss on Assets Sold / Discarded	255,207		-	
c) Loss on Sale of Mutual Fund Units.	40		-	
d) Securities Transaction Tax	4,174		-	
		1,055,379		677,275
Deduct :		7,475,490		4,085,163
a) Dividend Income	1,730,233		829,027	
b) Interest Income	75,608		57,720	
c) Excess Provision written back	140,747		-	
d) Profit on sale of Long term Investments	488,611		-	
e) Sundry Balance written back	-		58,550	
		2,435,199		945,297
Operating Cash Profit before Working capital changes		5,040,291		3,139,866
Add :				
a) Increase in Trade Payables and provisions	9,424,683		-	
b) Decrease in Trade and Other Receivables	-		5,354,505	
Deduct :		9,424,683		5,354,505
a) Increase in Trade and Other Receivables	(2,526,715)		-	
b) Decrease in Trade Payables and Provisions	-		3,684,422	
		(2,526,715)		3,684,422
Cash Inflow From Operations		11,938,259		4,809,949
Deduct :				
Direct Taxes paid		1,228,831		1,394,501
Net Cash Inflow in course of Operating Activities		10,709,428		3,415,448
B. Cash Flow arising from Investing Activities :				
Outflow :				
a) Acquisition of Fixed Assets & Capital wip	10,006,571		164,738	
b) Acquisition of Current Investments	17,989,830		4,317,827	
		27,996,401		4,482,565
Inflow :				
a) Interest received	75,608		57,720	
b) Dividend received	1,730,233		829,027	
c) Sale of Current Investment	14,848,425		-	
d) Sale of Assets	61,550		-	
		16,715,816		886,747
Net Cash Inflow /(Outflow) in course of Investing Activities		(11,280,585)		(3,595,818)
C. Cash Flow arising from Financing Activities :				
Outflow :				
Unpaid Dividend deposited in "Investor Education and Protection Fund"		(11,460)		(10,680)
Net Cash (Outflow) in course of Financing Activities		(11,460)		(10,680)
Net Increase /(Decrease) in Cash / Cash Equivalents (A+B+C)		(582,616)		(191,050)
Add - Balance at the beginning of the year		1,196,831		1,387,881
Cash / Cash Equivalents at the close of the year		614,215		1,196,831

As per our report of even date

For The Hindustan Housing Company Ltd.

GIRISH M. PATHAK

Partner

Membership No.102016

For & on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

Firm Registration No.106009W

Mumbai, dated the 12th July, 2012

NIRAJ BAJAJ

Director

Vinaya Mehrotra

Director

Mumbai : 12th July, 2012

Vinod Nevatia

Director

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

1. Significant Accounting Policies:

1.1 Basis of preparation of financial statements:

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

The Company is in the business of rendering various administrative and allied services. The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out the Revised Schedule VI to the Companies Act, 1956.

1.2 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.

1.3 Recognition of Revenue and Expenditure:

- a. Income from rendering of services is recognised in the year in which the services are rendered.
- 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.

1.4. Employee Benefits:

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

- b. **Post employment benefits:**

Defined benefit plans:

-Gratuity

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

Actuarial gains and losses arising on such valuation are recognized immediately in the Statement Profit and Loss. 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;

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

-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 Statement of Profit and Loss of the year in which they are incurred.

1.5 Fixed Assets and Depreciation:

a. Fixed Assets:

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

Fixed assets individually costing ₹ 5000/- or less are depreciated fully in the year of Acquisition.

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.

1.6 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 market value/net realisable value.

1.7 Borrowing Costs:

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

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

1.8 Taxation:

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

- a) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year.
- b) Deferred Tax is recognized on timing difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent period(s). The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is a virtual certainty of its realisation supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.

1.9 Impairment of Assets:

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

1.10 Provisions Contingent Liabilities and Contingent Assets:

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

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

2 Share Capital

Particulars	31-Mar-2012		31-Mar-2011	
	Number of Shares	₹	Number of Shares	₹
a) Authorised Equity Shares of ₹ 25/- each	40,000	1,000,000	40,000	1,000,000
b) Issued Equity Shares of ₹ 25/- each	24,531	613,275	24,531	613,275
c) Subscribed and Paid up				
i) Equity Shares of ₹ 25/- each fully paid up	24,200	605,000	24,200	605,000
ii) Forfeited Shares (Amounts originally paid up)	331	3,645	331	3,645
Total	24,531	608,645	24,531	608,645

2.1 Reconciliation of number of Shares and Amount Outstanding :

Particulars	31-Mar-2012		31-Mar-2011	
	Number of Shares	₹	Number of Shares	₹
Equity Shares at the beginning of the year	24,531	608,645	24,531	608,645
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	24,531	608,645	24,531	608,645

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

Name of the Shareholder	31-Mar-2012		31-Mar-2011	
	No. of Shares	% of total Holding	No. of Shares	% of total Holding
i. Sikkim Janseva Pratisthan Pvt. Ltd.	6,824	28.20%	6,824	28.20%
ii. Bachhraj & Co. Ltd.	6,152	25.42%	6,152	25.42%
iii. Jamnalal Sons Pvt. Ltd.	2,564	10.60%	2,564	10.60%
Total	15,540	64.22%	15,540	64.22%

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amount, in the proportion of the number of equity shares held by each share holders.

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

3 Reserves & Surplus

Particulars	₹	31-Mar-2012	₹	31-Mar-2011
		₹		₹
a) General Reserve				
Opening Balance	2,720,429		2,720,429	
Add : Transfer from Surplus during the Current year	23,429,571		-	
Closing Balance		26,150,000		2,720,429
b) Surplus in the Statement of Profit and Loss :				
Opening balance	23,431,465		20,817,871	
Add: Net Profit for the year	5,215,659		2,613,594	
Less: Transfer to General Reserve	23,429,571		-	
Closing Balance		5,217,553		23,431,465
Total		31,367,553		26,151,894

4 Deferred Tax Liability

Particulars	₹	31-Mar-2012	₹	31-Mar-2011
		₹		₹
Deferred Tax Liability on account of Depreciation		1,085,985		989,148
Less: Deferred Tax Asset on account of Employee Benefits		(329,016)		(334,921)
Total		756,969		654,227

5 Other long term liabilities

Particulars	₹	31-Mar-2012	₹	31-Mar-2011
		₹		₹
Security Deposits		9,861,000		-
Total		9,861,000		-

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

6 Long Term Provisions

	₹	31-Mar-2012 ₹	₹	31-Mar-2011 ₹
Provision for employee benefits (Net) (Refer Note No. 24)		3,157,024		2,470,869
Total		3,157,024		2,470,869

7 Other Current Liabilities

Particulars	₹	31-Mar-2012 ₹	₹	31-Mar-2011 ₹
Unclaimed Dividend*		48,980		60,440
Other Liabilities # {Refer Note No.27 (a)}		1,666,548		1,674,284
Other Deposits		2,007,120		2,719,524
Total		3,722,648		4,454,248

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

includes statutory dues, Liability for expenses and payable to employees.

8 Short Term Provisions

Particulars	₹	31-Mar-2012 ₹	₹	31-Mar-2011 ₹
Provision for employee benefits (Net) (Refer Note No. 24)		337,047		177,822
Provision for Taxation (Net of Advance Tax)		11,901		-
Total		348,948		177,822

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

9 Fixed Assets

(Amount in ₹)

ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				NET CARRYING VALUE	
	As at 1-Apr-2011	Addition	Disposal	As at 31-Mar-2012	Upto 31-Mar-2011	For the Year	(Disposal) / Adjustment	Up to 31-Mar-2012	As at 31-Mar-2012	As at 31-Mar-2011
a) Tangible Assets										
Building*	7,107,861	-	-	7,107,861	791,281	115,850	-	907,131	6,200,730	6,316,580
Elevators	1,063,686	-	-	1,063,686	624,240	50,525	-	674,765	388,921	439,446
Air Conditioner Plant	863,333	171,243	636,175	398,401	372,998	16,891	359,375	30,514	367,887	490,335
Electrical Equipments	899,964	-	-	899,964	522,617	41,254	-	563,871	336,093	377,347
Furniture, Fixtures and Equipments	5,578,827	2,685,102	-	8,263,929	1,806,897	430,874	-	2,237,771	6,026,158	3,771,930
Office Equipments	1,074,675	-	-	1,074,675	451,773	50,376	-	502,149	572,526	622,902
Computers	1,058,563	164,391	799,205	423,749	925,618	68,130	759,248	234,500	189,249	132,945
Total Tangible Assets (A)	17,646,909	3,020,736	1,435,380	19,232,265	5,495,424	773,900	1,118,623	5,150,701	14,081,564	12,151,485
b) Intangible Assets										
Computer Software	-	66,180	-	66,180	-	22,058	-	22,058	44,122	-
Total Intangible Assets (B)	-	66,180	-	66,180	-	22,058	-	22,058	44,122	-
Total (A) + (B)	17,646,909	3,086,916	1,435,380	19,298,445	5,495,424	795,958	1,118,623	5,172,759	14,125,686	12,151,485
Previous Year's Total	17,482,171	164,738		17,646,909	4,818,149	677,275		5,495,424	12,151,485	

* Includes ₹ 500/- (P.Y ₹ 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 2012

10 Non Current Investments

Particulars	31-Mar-2012		31-Mar-2011	
	Nos	₹	Nos	₹
a) Investments in Equity Shares (Quoted)- At Cost				
<u>Other Investments</u>				
1. Bajaj Holdings & Investment Limited (BHIL) (Equity Shares of ₹10/- each fully paid up)	7,200	24,366	7,200	24,366
2. Bajaj Finserv Limited (Equity Shares of ₹5/- each fully paid up)	7,200	9,229	7,200	9,229
3. Bajaj Auto Limited (Equity Shares of ₹10/- each fully paid up)	14,400	9,530	14,400	9,530
Total	28,800	43,125	28,800	43,125

10.1	Book Value (₹)		Market Value (₹)	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Aggregate Quoted Investments	43,125	43,125	34,419,600	30,501,000
Aggregate Unquoted Investments	-	-	-	-
	43,125	43,125	34,419,600	30,501,000

11 Long Term Loans and Advances

Particulars	₹	31-Mar-2012	₹	31-Mar-2011
		₹		₹
<u>Unsecured, Considered good</u>				
a) Capital Advances		6,919,655		-
b) Sundry Deposits		974,647		974,647
c) Advances Recoverable in Cash or in Kind or for Value to be received		2,727,873		2,096,929
d) Advance Tax (Net of Provision for Tax)		343,442		99,629
Total		10,965,617		3,171,205

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

12 Current Investments

Particulars	31-Mar-2012		31-Mar-2011	
	No. of Units	₹	No. of Units	₹
a) Investments in Mutual Funds (Quoted) (At lower of Cost or Fair value)				
1. Reliance Money Manager Fund -Institutional Optional - Daily Dividend Plan (P.Y. NAV ₹3,043,173/-)	-	-	3,039	3,042,502
2. HDFC CMF-TAP-Retail Weekly Dividend Reinvest (NAV ₹4,379,599/- ; P.Y.₹Nil)	436,232	4,376,358	-	-
3. Reliance Equity Opportunities Fund - Growth Plan (P.Y. NAV ₹313,830/-)	-		10,095	100,947
4. Reliance Diversified Power Sector Fund - Growth Plan (NAV ₹2,498,261/- ; P.Y.₹3,170,394/-)	44,370	500,000	44,370	500,000
5. Reliance Equity Fund - Growth Plan (NAV ₹.9,18,399/- ; P.Y.₹2,540,739/-)	72,430	724,295	180,459	1,804,592
6. HDFC High Interest Fund -Dividend Reinvest (NAV ₹10,892,935/- ; P.Y.₹7,446,080/-)	1,028,431	10,909,707	701,448	7,432,343
7. Principal Large Cap Fund - Growth Plan (NAV ₹3,832,877/- ; P.Y.₹4,193,159)	144,691	1,479,470	144,691	1,479,470
Total		17,989,830		14,359,854

13 Trades Receivable

Particulars		31-Mar-2012		31-Mar-2011
	₹	₹	₹	₹
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		-		-
b) Other Trade Receivable Unsecured, considered good		5,679,842		2,985,587
Total		5,679,842		2,985,587

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

14 Cash and Bank Balances

	₹	31-Mar-2012 ₹	₹	31-Mar-2011 ₹
<u>Cash and Cash Equivalents</u>				
a) Balances with Bank				
Current Account		536,342		1,109,870
Unpaid Dividend		73,251		86,249
b) Cash on Hand		4,622		712
Total		614,215		1,196,831

15 Short Term Loans and Advances

Particulars	₹	31-Mar-2012 ₹	₹	31-Mar-2011 ₹
<u>Unsecured, considered good</u>				
a) Loans and Advances to Employees		25,000		66,400
b) Advances Recoverable in Cash or in Kind or for Value to be received		183,758		216,935
c) Advance Tax (Net of Provision for Tax)		-		176,356
Total		208,758		459,691

16 Other Current Assets

Particulars	₹	31-Mar-2012 ₹	₹	31-Mar-2011 ₹
a) Interest Receivable		47,278		47,278
b) Expenses Recoverable		81,045		102,649
c) Income Tax Refund Receivable		67,391		-
Total		195,714		149,927

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

17 Revenue from Operations

Particulars	2011-12 ₹	2010-11 ₹
Sale of Services		
Airconditioning Service Charges	5,946,195	6,027,281
Lift Service Charges	113,951	107,044
Computer Service Charges	393,141	84,823
Communication Service Charges	701,401	686,189
General Administration Service Charges	8,760,756	6,518,718
Photocopying Service Charges	152,125	132,073
Housekeeping Service Charges	1,142,375	1,231,656
Dining Room Service Charges	3,731,231	2,046,955
Strong Room Service Charges	53,320	53,320
Board Room Compensation	367,500	360,000
Total	21,361,995	17,248,059

18 Other Income

Particulars	2011-12 ₹	2010-11 ₹
Interest Income	75,608	57,720
Dividend	1,730,233	829,027
Sundry Balance Written Back	140,747	58,550
Profit on Sale of Mutual Fund (Net)	488,611	-
Total	2,435,199	945,297

19 Employee Benefits Expense

Particulars	2011-12 ₹	2010-11 ₹
Salaries, Allowances, Bonus, etc.	5,771,890	3,932,368
Contribution to Provident and Other Funds (Defined Benefit Plan)	927,362	697,334
Staff Welfare Expenses	1,101,937	633,391
Total	7,801,189	5,263,093

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

20 Other Expenses

Particulars	2011-12 ₹	2010-11 ₹
Power & Fuel	4,169,920	4,113,052
Repairs to Building	160,815	581,031
Repairs - Others	-	10,500
Insurance	11,835	9,670
Rates and Taxes	445,586	445,586
Auditor's Remuneration		
Fees as Auditors	50,000	40,000
Fees as Tax Auditors	15,000	4,500
Fees for other work	26,848	14,000
Out of Pocket Expenses	-	3,666
	91,848	62,166
Director's Sitting Fees	43,000	22,000
Maintenance and Service Contract Charges	477,108	531,567
Compensation paid for use of Premises	300,000	300,000
Legal and Professional Charges	77,315	593,142
Housekeeping Charges	930,568	1,026,380
Loss on Sale of Assets Sold / Discarded	255,207	-
General Administration Service Expenses	959,804	509,885
Miscellaneous Expenditure	856,930	640,121
Total	8,779,936	8,845,100

21 Earning per share

Particulars	2011-12	2010-11
Net profit after tax as per Statement of Profit and Loss attributable to Equity shareholders (₹)	5,215,659	2,613,594
Weighted Average number of equity shares used as denominator for calculating EPS	24,200	24,200
Basic and Diluted Earnings per share (₹)	216	108
Face value per equity share (₹)	25	25

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

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

Sr. No.	Partners	Share of Profit (%)	Capital as at 31/03/2012 ₹	Capital as at 31/03/2011 ₹
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	-	-

23. Contingent liability on account of application of the provisions of Employees Provident Fund & Miscellaneous Provisions Act, 1952 (the Act) to the Company in respect of certain employees of a contractor and other persons, who are not the employees of the Company, is at present, not ascertainable as the Company has disputed the inclusion of the aforesaid persons within the purview of the Act.

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

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

	Particulars	2011-2012 (₹)	2010-2011 (₹)
(i)	Changes in Present Value of Obligations		
	Present Value of Obligations at beginning of the year	21,30,401	1,641,736
	Interest cost	176,823	131,339
	Current service cost	215,253	158,260
	Benefits paid	-	-
	Actuarial Losses / (Gains)	212,476	199,066
	Present Value of Obligations at end of the year	27,34,953	2,130,401
(ii)	Changes in Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of the year	2,237,676	1,76,6732
	Expected Return on Plan Assets	-	175,200
	Contributions	98,524	295,347
	Benefits Paid	-	-
	Actuarial Gain /(Losses) on Plan Assets	221,673	397
	Fair Value of Plan Assets at end of the year	2,557,873	2,237,676
(iii)	Amount to be recognized in the Balance Sheet		
	Present Value of Obligations at end of the year	2,734,953	2,130,401
	Fair Value of Plan Assets at end of the year	2,557,873	2,237,676
	Net Asset / (Liability) recognized in the Balance Sheet	(177,080)	107,275
(iv)	Expenses to be recognized in the statement of Profit and loss		
	Current Service Cost	215,253	158,260
	Interest Cost	176,823	131,339
	Expected Return on Plan Assets	-	(175,200)
	Net Actuarial Losses / (Gains)	(9,197)	198,669
	Expenses recognized in the statement of Profit and loss	382,879	313,068
(v)	Assumptions:		
	Mortality		LIC(1994-96) Ult
	Discount Rate	8.50%	8.30%
	Rate of increase in compensation *	5%	5%
	Expected rate of Return on Assets	-	9.15%
	Withdrawal rates	0.80%	0.80%

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

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

25. Segment Reporting:

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

26. Related Party disclosures:

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.

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

- a. Transactions carried out with related Parties referred 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		16,000 (8,000)
Income :		
Services Provided		
Bachhraj & Company Private Limited	27,28,714 (2,393,614)	
Baroda Industries Private Limited		9,33,632 (809,156)
Mukand Limited		9,87,219 (613,850)
Jamnallal Sons Private Limited		3,02,632 (266,318)
Others		63,371 (59,706)
Other Receipt: :		
Reimbursement of Expenses		
Bachhraj & Company Private Limited	22,925 (14,576)	
Mukand Limited		18,370 (16,404)
Others		49,044 (11,628)
Outstandings :		
Receivable		
Bachhraj & Company Private Limited	11,978 (10,721)	
Mukand Limited		8,58,381 (199,986)
Others		22,682 (8,343)
Payable (Deposits)		
Bachhraj & Company Private Limited		12,77,040 (330,698)
Mukand Limited		20,49,850 (408,360)
Others		6,31,960 (383,232)

Figures in brackets relate to previous year.

THE HINDUSTAN HOUSING COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

27. (a) "Other Liabilities" in Note '7' to Account include (i) ₹ Nil (31.03.2011 ₹ Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) ; and (ii) ₹ 1,657,928/- (31.03.2011 ₹ 1,430,586/-) 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.
28. On Account of application of Revised Schedule VI for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of the even date

For The Hindustan Housing Company Ltd.

GIRISH M. PATHAK

Partner

Membership No.102016

For & on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

Firm Registration No.106009W

Niraj Bajaj

Chairman

Vinaya Mehrotra

Director

Vinod Nevatia

Director

Mumbai, dated the 12th July,2012

Mumbai : 12th July,2012