

REPORT OF THE RESOLUTION PROFESSIONAL

I, Abhay N. Manudhane, have been appointed as an Interim Resolution Professional (IRP) by Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench for conduct of Corporate Insolvency Resolution Process (CIRP) of M/s Housing Development and Infrastructure Ltd (Corporate Debtor) vide Order no. CP (IB) -27/I&BP/MB/2019 dated 20th August, 2019. Thereafter, the Committee of Creditors (CoC) of the Corporate Debtor appointed the undersigned as Resolution Professional for the Corporate Debtor ("RP").

As per the requirements of Insolvency and Bankruptcy Code, 2016, (Code) the IRP/ RP has to ensure that the Corporate Debtor remains going concern during CIRP. As the Corporate Debtor is a listed Company and is required to prepare and submit financial results in respect of the entire financial year as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), the RP ensured preparation and submission of standalone financial results and statement of assets and liabilities in respect of the entire financial year ended 31st March, 2021. The standalone financial results and statement of assets and liabilities in respect of the entire financial year ended 31st March, 2021 enclosed herewith, have been drawn as per accounting practices followed by the Corporate Debtor and records available with the Corporate Debtor.

Out of the 6 Directors on the suspended Board of Corporate Debtor, 4 Non-Executive Independent Directors had tendered resignation, which CoC has not accepted and Executive Chairman and Vice Chairman & Managing Director are in Judicial Custody and are not available. The Chief Financial Officer and Company Secretary had also resigned which was also not accepted by the CoC. In the absence of the Chief Financial Officer, Company Secretary and other officials who were primarily responsible for closure of accounts and financial reporting, the RP has made all practical and reasonable efforts from time to time to gather details to prepare these financial results, despite various challenges and complex circumstances, has tried to put in best possible efforts to provide information required by the Auditors for the purpose of carrying out the limited review/audit of the financial results of the Corporate Debtor.

The RP presumed that the records made available to him for a period prior to commencement of CIRP are genuine and are properly maintained by the previous management, comprising of Board of Directors and that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial results. The RP, in review of financial results and signing this financial result has relied upon the assistance provided by the available Officers of the Corporate Debtor.

As per Regulation 33 of the Listing Regulations, the standalone unaudited financial results and statement of assets and liabilities of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial results and statement

of assets and liabilities irrespective of the fact that the powers of the Board of Directors are suspended on commencement of CIRP.

However, due to non-availability of any of the signatories mentioned under Regulation 33 of LODR, these financial results have been signed by the RP while exercising the powers of the Board of Directors of the Corporate Debtor, which has been conferred upon him in terms of the provisions of Section 17 of the Code. The RP has signed these financial results and statement of assets and liabilities in good faith, solely for the purpose of compliance and discharging his duty under the Code, *and subject to the following disclaimers:*

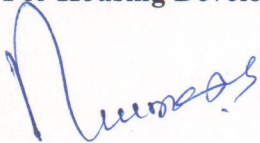
- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code. The financial results and statement of assets and liabilities enclosed herewith is accepted by the RP in his fiduciary capacity without accepting any personal liability and is only in compliance with the statutory requirement under Regulation 15(2A) of SEBI LODR Regulations and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP. The RP is not liable for any error or misstatement of facts and figures, if any, in the accounts and/ or any disclosure or non-disclosure in the accounts.
- (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
- (iii) The RP, in review of the financial results and statement of assets and liabilities and while signing this statement of financial results and statement of assets and liabilities, has relied upon the assistance provided by the available Officers of the Corporate Debtor. The statement of financial results and statement of assets and liabilities of the Corporate Debtor for the entire financial year ended 31st March, 2021 has been taken on record by the RP solely on the basis of and relying on the statement of the management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial results. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial results.
- (iv) In terms of the provisions of the Code, the RP is required to undertake a review of certain transactions. Such review has been initiated and the RP may be required to accordingly in terms of the provisions of the Code.
- (v) Previous years figures are regrouped and reclassified wherever necessary.

Regulation 33(3)(b) of the SEBI LODR Regulations, 2015 provides that in case the listed entity has Subsidiaries, in addition to the requirement at clause (a) of sub-regulation (3), the listed entity shall also submit quarterly/year-to-date consolidated financial results. There are 5 (Five) Subsidiaries of the Corporate Debtor. The RP is not in a position to provide the consolidated financial results and statement of assets and liabilities, as the

Subsidiaries of the Corporate Debtor are separate legal entities and the RP is facing huge difficulty in obtaining relevant data from the said Subsidiaries. In view of the above, the RP is constrained to submit the standalone financial results and statement of assets and liabilities.

The outbreak of corona virus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. Considering that it is a dynamic and evolving situation, the Company will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have a bearing on CIR Process.

For Housing Development and Infrastructure Limited



Abhay N Manudhane
Resolution Professional
Date: 31st January, 2022
Place: Mumbai

dayal and lohia
chartered accountants

INDEPENDENT AUDITOR'S REPORT

The Members of Housing Development & Infrastructure Limited
Report on the Audit of the Standalone Financial Statements

DISCLAIMER OF OPINION

We were engaged to audit the standalone financial statements of **Housing Development & Infrastructure Limited** ("the Company"), which comprise of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information given in the notes to the financial statements.

We do not express an opinion on the accompanying standalone financial statements of the Company. Owing to the significance of matters described in the Basis for Disclaimer of Opinion section of our report, we have been unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

BASIS FOR DISCLAIMER OF OPINION

Following, amongst others, are some of the important reasons because of which we were not able to obtain sufficient and appropriate audit evidence:

1. Note from the Resolution Professional ("RP")

- a. We refer to Note No. 1.1 mentioning RP's inability to compile true and fair accounts due to reasons mentioned in the note.

2. Opening Balances as on April 01, 2019

- a. We refer to Note No. 1.2 regarding the opening balances as on April 01, 2019 wherein the RP is unable to reconcile the opening balances as on April 01, 2019 with the audited financial statements of the previous year ended March 31, 2019. This is likely to have a continuing impact on the financial statements of the subsequent years.
- b. As required by SA 510, "*Initial Audit Engagements - Opening Balances*", the auditor is required to obtain sufficient appropriate audit evidence about whether:
 - opening balances contain misstatements that materially affect the current period's financial statements; and
 - appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements, or changes thereto are properly accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.



In this regard, as stated in the above-mentioned note, due to lack of sufficient and appropriate evidence, we are unable to comment on the closing balances of the prior period ending on March 31, 2019.

3. Non-Current Assets – Property, Plant & Equipment

- a. We refer to Note No. 2(i) regarding the assessment of impairment of the Property, Plant and Equipment.

As per Para 9 of Ind AS 36, "An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset."

In view of the uncertainty of resumption of the Company's operations, the management is required to make an assessment of impairment to the carrying value of its assets. Pending resolution of Corporate Insolvency Resolution Process ("CIRP") at the year end, we have been informed that the Company has not been able to perform any assessment to determine any impairment to the carrying value of these assets. Consequently, we are unable to conclude if any impairment needs to be recognized to the carrying value of these assets and its consequential effects on the financial statements.

- b. We further refer to Note No. 2(ii) regarding the difference in opening balances of the fixed assets as per audited financial statements for year ended March 31, 2019 and books of accounts. Since no reconciliation or information is available, the same has been shown as adjustments in the said Note and therefore, we are unable to comment on the same.

4. Investments in Property

- a. We refer to Note No. 3(i) regarding investments made by the Company in immovable property amounting to INR 10,350.67 lakhs. We have not been provided with any details, ownership documents or any supporting information with respect to the said investments.

- b. Further, Para 9 of Ind AS 36 states that, "An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset."

However, for the financial year under audit, due to absence of sufficient information, the Company has not assessed any of the above investments for impairment.

- c. The Company has not valued the said investments at Fair Value as per the requirements of the Indian Accounting Standards.

5. Non-Current Investments

- a. We refer to Note No. 4(i) regarding investments made by the Company in subsidiaries and shares amounting to INR 78,884.99 lakhs. We have not been provided with any details, ownership documents or any supporting information with respect to the said investments.



- b. Para 9 of Ind AS 36 states that, "An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset." However, we refer to Note No. 4(ii) stating that for the financial year under audit, due to absence of sufficient information, the Company has not assessed investments amounting to INR 48,936.24 lakhs for impairment.
- c. We further refer to Note No. 4(ii) stating that the Company has not valued the said investments at Fair Value as per the requirements of the Indian Accounting Standards.
- d. We further refer to Note No. 4(iv) regarding the non-availability of audited financial statements of the subsidiaries and associates of the Company. Due to the absence of such statements, the Company has not been able to prepare the consolidated financial statements of the group for the financial year ending March 31, 2020 as well as March 31, 2021.

6. Other Non-Current Financial Assets

- a. We refer to Note No. 5(i) regarding guarantee obligation commission amounting to INR 777.08 lakhs. Details and documents relating to such commission were not provided to us for verification and therefore we cannot comment on the same.

7. Inventories

- a. RP has stated that physical verification of the inventory has been carried out at the time of taking charge of the Company and the discrepancies, to the extent ascertained, have been adjusted in the books by making appropriate provisions at the relevant year end. In absence of any further information said provision is continued for the year ended March 31, 2021.
- b. We refer to note No. 6(i) regarding inventory wherein the RP has stated that physical verification of the inventory has been carried out at the time of taking charge of the Company. The quantitative records of inventory maintained by the Company did not match with its books of accounts and the discrepancies, to the extent ascertained, have been adjusted in the books by making appropriate provisions in the previous financial year.
- c. The Company has made a provision of INR 8,33,933.26 lakhs towards work-in-progress in the previous financial year. However, due to non-availability of sufficient information, we are unable to comment on the adequacy of such provisions.

8. Current Investments

- a. We refer to Note No. 7(i) regarding investments made by the Company in partnership firms amounting to INR 101.58 lakhs. We have not been provided with any details, ownership documents or any supporting information with respect to the said investments.
- b. Para 9 of Ind AS 36 states that, "An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset." However, we refer to Note No. 7(ii) stating that for the financial year under audit, due to absence of sufficient information, the Company has not assessed any of the above investments for impairment.

- c. We further refer to Note No. 7(ii) stating that the Company has not valued the said investments at Fair Value as per the requirements of the Indian Accounting Standards.
- d. We further refer to Note No. 7(iii) regarding the non-availability of audited financial statements of the partnership firms. Due to absence of such statements, the Company has been unable to prepare the consolidated financial statements of the group for the financial year ending March 31, 2020 and March 31, 2021.

9. Trade Receivables

The Company has made a provision of INR 1,78,051.08 lakhs towards doubtful debts during the previous financial year. However, due to non-availability of sufficient information, we are unable to comment on the adequacy of such provisions.

10. Cash and Cash Equivalents

- a. We refer to Note No. 9(i) regarding the difference in physical cash when compared to the books of accounts. No physical cash was available in the Main Cash Book and Imprest Cash to Employees as against the book balance of INR 39.16 lakhs and INR 27.92 lakhs respectively. Further, in the case of Petty Cash Book, due to the onset of COVID-19, the physical balance as on March 31, 2021 could not be verified by the RP. However, when the physical verification was done on July 29, 2020, the physical cash was found short by INR 0.29 lakhs. Thus, out of the total cash on hand of INR 67.62 lakhs, an amount of INR 67.37 lakhs was not physically available in the Company. Since the reason for the difference could not be ascertained, no effect of the same has been given in the accounts.
- b. We refer to Note No. 9(ii) regarding bank balances totaling to INR 300.41 lakhs. The Company has not received Bank statements for accounts having aggregate balances of INR 262.30 lakhs.
- c. We refer to Note No. 9(iii) regarding the only operational Bank A/c with ICICI Bank is reconciled and the remaining non-operational accounts with various banks wherein the balance aggregates to INR 262.30 lakhs could not be reconciled.
- d. We refer to Note No. 9(iv) regarding the non-availability of balance confirmations from the banks for any of the accounts maintained in the name of the Company.
- e. Owing to the above limitations, we are unable to express an opinion on cash & cash equivalents and the receipts and payments transactions during the year.

11. Other Bank Balances

- a. We refer to Note No. 10(i) regarding encashment of Fixed Deposits by the erstwhile promoters. Out of the total deposits, the erstwhile promoters encashed deposits amounting to INR 11,888.86 lakhs on August 19, 2019 i.e., a day before the commencement of CIRP. The remaining deposits are seized by income tax authorities. We were not provided with any documentation in relation to the encashed fixed deposits and therefore, we cannot comment on the same.



12. Other Current Financial Assets

- a. The Company has made a provision of INR 5,585.57 lakhs towards doubtful loans to subsidiaries in the previous financial year. However, due to non-availability of sufficient information, we are unable to comment on the adequacy of such provisions.

13. Other Current Assets

- a. We refer to Note No. 12 regarding, during earlier years, advances given by the Company to vendors amounting to INR 13,398.04 lakhs and towards land purchase / tenancy / claims / development rights amounting to INR 2,79,455.11 lakhs. However, proper documentation or balance confirmations from the parties were not available for verification.
- b. The Company has made a provision of INR 13,398.04 lakhs and INR 2,79,455.11 lakhs towards doubtful advances in the previous financial year. However, due to non-availability of sufficient information, we are unable to comment on the adequacy of such provisions.

14. Equity Share Capital

We refer to Note No. 13(i) regarding the conversion of 2,00,00,000 equity share warrants into equity shares during the previous financial year having face value of INR 2,000.00 lakhs at a consideration of INR 6,220.00 lakhs. The terms of conversion relating to such issue were not available and hence could not be verified.

15. Reserves and Surplus

The statement of changes in equity during the previous year reflects an effect of INR 1,153.14 lakhs towards "Other changes". However, we were not provided with any details or information for such change and hence the same could not be verified.

16. Current Borrowings - Term Loans and Debentures

We refer to Note No. 15 regarding Term Loans and Debentures standing in the books at INR 2,48,109.18 lakhs and make the following observations:

- a. The Corporate Insolvency Resolution Process ("CIRP") of the Company commenced on August 20, 2019 and the Resolution Professional took charge of the Company on August 26, 2019. The Resolution Professional invited claims from Financial Creditors and till March 31, 2021 received financial claims from Banks and Financial Institutions towards Term Loans, Non-Convertible Debentures and Overdraft facilities amounting to INR 23,38,533.88 lakhs (including INR 1,61,459.46 lakhs from home buyers and towards invocation of corporate guarantee), INR 1,87,876.28 lakhs from operational creditors, INR 61,654.62 lakhs from other creditors and INR 1,164.16 lakhs from the employees. The balances as per the books of accounts are different than the claims lodged as the interest, penal interest charges etc. charged by the bankers have not been completely accounted for by the erstwhile management in the books of accounts.
- b. With respect to the book balance outstanding as on March 31, 2020 of INR 247,711.72 lakhs of the said borrowings, the Resolution Professional has sent requests for balance confirmations in accordance with SA 505, "External Confirmations", to the concerned



parties for the previous year but he has not received any confirmations. Consequently, we cannot comment on the actual liabilities in relation to these borrowings.

- c. Ind AS adjustments relating to unwinding of finance cost required to be made, however, owing to the non-availability of relevant documents and calculations, the said adjustment, if any, has not been made. Hence, we are unable to comment on the same.

17. Trade Payables

We refer to Note No. 16(ii) regarding expenses worth INR 1,812.67 lakhs which have been accounted in the previous years but the same have not been credited to the respective vendor's personal accounts. They are reflected in the control accounts maintained by the Company under "Other Trade Payables"

18. Other Current Financial Liabilities

- a. We refer to Note No. 17(i) regarding dues to employees of INR 1,605.77 lakhs. Based on enquiries and information obtained from the Company, it is noted that there is an unreconciled difference of INR 136.00 lakhs between salary payable as per books and salary payable as per physical records maintained by the HR department of the Company.
- b. We refer to Note No. 17(ii) regarding "Provisions for Outstanding Expenses" amounting to INR 190.07 lakhs during the previous financial year. The Company has not revised its estimates to reflect the correct position of the said provisions due to lack of proper information about the same.

19. Other Current Liabilities

- a. We refer to Note No. 18 regarding outstanding balances of advances, for more than a year, received from customers towards Land, Units, TDR, FSI, Advance Rental, Maintenance and other purposes amounting to INR 1,91,985.33 lakhs. In case of these advances, we are not able to comment whether the same can be treated as deposits under section 73 or under any other applicable Rules of the Companies Act, 2013.
- b. We refer to Note No. 18(i) regarding the advances received by the Company towards rental income since F.Y. 2010-11 totaling to INR 262.47 lakhs. Such advances have not been appropriated towards the rental income in any of the subsequent years and there is no explanation for the same.
- c. We refer to Note No. 18(ii) regarding statutory dues of INR 2,286.49 lakhs which include an amount of INR 693.76 lakhs payable towards Service Tax and VAT including interest relating to earlier years. However, we have not received any information or details for the same from the Company.
- d. We refer to Note No. 18(ii) regarding dues towards Tax Deducted at Source (TDS), Tax Collected at Source (TCS), Provident Fund, ESIC, Profession Tax and Goods & Services Tax (GST) totaling to INR 925.99 lakhs which are outstanding in the books of accounts of the Company. During the year, the Company has not made payment towards such dues in full. However, no provisions have been made towards interest or penalties payable on such liabilities.



- e. We have not received any workings, calculations or statements as to how the figures upto March 31, 2020 are arrived at.

20. Current Provisions

- a. We refer to Note No. 19(i) regarding provision for Gratuity and Leave encashment amounting to INR 944.50 lakhs.
- b. As per Para 66 of Ind AS 19 – “Employee Benefits”,
In order to measure the present value of the post-employment benefit obligations and the related current service cost, it is necessary:
(a) to apply an actuarial valuation method;
(b) to attribute benefit to periods of service; and
(c) to make actuarial assumptions

However, during the year, due to lack of appropriate information, the Company has not been able to obtain an actuarial valuation as required under the provisions of Ind AS 19. Hence, the provisions have been made based on the estimates of earlier years.

21. Current Tax Liabilities

- a. We refer to Note No. 20 regarding income tax provisions pertaining from A.Y. 2010-11 to A.Y. 2019-20 amounting to INR 17,417.01 lakhs. We are given to understand that the Resolution Professional was unable to gather relevant information excepting the demand notices mentioned in (b) below. Owing to the unavailability of information and documents, we are unable to comment on the status of Income tax liabilities and the corresponding Advance tax payments.
- b. We have been provided with Notices for Demand from the Income Tax Department totaling to INR 4,351.00 lakhs. However, the same could not be verified since relevant and appropriate information was not available.

22. Revenue and Other Income:

- a. We refer to Note No. 22(i) regarding lease rental income of INR 85.38 lakhs to which certain Ind AS adjustments required, have not been made. We have not been provided with any details or documents for to the same.
- b. We refer to Note No. 22(ii) regarding the policy of revenue recognition. As per the Accounting Policy mentioned in the financials for F.Y. 2018-19, the Company has stated that, for ongoing projects, it followed "Project Completion Method" which is a deviation from the requirement of Ind AS 18 which prescribes the "Percentage of Completion Method". This is not in line with the requirements of Ind AS 18.



23. Related Party Transactions:

We refer to Note No. 32(i) regarding related party transactions entered into by the Company. Related party transactions are disclosed only to the extent information is made available to the RP and hence the same could be verified only to the same extent.

24. Ongoing investigations:

The Company is faced with certain on-going investigations initiated by governmental authorities such as Enforcement Directorate (ED), Economic Offences Wing (EOW), Serious Fraud Investigation Office (SFIO) and Central Bureau of Investigation (CBI). However, the outcome of such investigations and its effect on the financial statements cannot be ascertained as of now.

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 of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

For each matter below, our description of how our audit addressed the matter is provided in that context.

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.

1. Uncertainties regarding recoverability of work in progress (inventory), loans and advances given and investments made by the Company:

The Company is having gross work in progress of INR 10,99,047.13 lakhs which is supposed to represent the projects undertaken by the Company that are not yet finished or sold.

The Company is having loans and advances of INR 2,98,443.17 lakhs which have been given to, inter alia, its related entities.

The Company is having investments in property, subsidiaries and associates amounting to INR 59,286.90 lakhs.

Considering the amount involved, uncertainty associated with the outcome of the CIRP and significant management judgement in its recoverability, this was considered to be a key audit matter in the audit of the standalone financial statement.

Our audit procedures included, amongst others, the following:

- Obtaining an understanding of the management process for assessing the recoverability of work in progress, loans and advances and investments.



- Discussed extensively with the present management regarding steps taken for recovering the amounts and evaluated the provisions to be made for the projects whose value is substantially not recoverable.
- Assessed that the disclosures made by the present management are in accordance with applicable accounting standards.

2. Litigations and investigations:

The Company is subject to assessment by various government authorities, including tax authorities on various matters resulting into litigations, disputes and unresolved inquiries. Moreover, there are numerous civil litigations and proceedings against the Company lodged with various judicial authorities which are, as on the date of this report, undecided.

The tax matters involve significant amounts which are at various stages of litigations and the proceedings take significant time to resolve. Proceedings related to other matters are still under process and the outcome of the same is unknown. Accordingly, we have identified this as a key audit matter

Our audit procedures included, amongst others, the following:

- Obtained list of indirect tax litigations from the present management.
- Discussed the matters with the present management to understand the possible outcome of these disputes
- Assessed contingent liability disclosures in Note 31 to the accompanying standalone financial statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

As mentioned in Note No. 1.1 to the financial statements, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 (the Code), and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continues to incur losses. The Company is a co-obligor and has received demand notices in respect of borrowings of other obligors / borrowers. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as a going concern during CIRP. Accordingly, the financial statements are continued to be prepared on going concern basis. However, there exists a material uncertainty about the ability of the Company to continue as a "Going Concern". The same is dependent upon the resolution plan to be approved by the Hon'ble National Company Law Tribunal. The appropriateness of the preparation of financial statements on going concern basis is critically dependent upon CIRP as specified in the Code. Necessary adjustments required on the carrying amount of assets and liabilities are not ascertainable at this stage.



RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR PREPARATION OF FINANCIAL STATEMENTS

The Company's Board of Directors / Resolution Professional is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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, the Board of Directors / Resolution Professional is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors / Resolution Professional / Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

However, in case of the Company, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated August 20, 2019 superseded the Board of Directors of the Company and appointed the Resolution Professional, thereby commencing the Corporate Insolvency Resolution Process. The Resolution Professional is responsible, among other things, to run the Company as a "going concern". Accordingly, the standalone financial statements for the year ended March 31, 2021 have been prepared on going concern assumptions.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Company's standalone financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) Because of the reasons mentioned in the "Basis for Disclaimer of Opinion" para above, we were unable to obtain all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (b) Due to the possible effects of the matters, individually and cumulatively, described in the "Basis for Disclaimer of Opinion" para above, we are unable to comment whether proper books of account as required by law have been kept by the Company.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account as maintained. As mentioned in 2(b) above, we are unable to comment whether the books of accounts are proper.
 - (d) Because of the possible effects of the matters mentioned in the "Basis of Disclaimer of Opinion" para above, and owing the general lack of information, we cannot form an opinion whether the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) Since, we were not able to obtain a written confirmation from the erstwhile Directors, we are unable to comment whether the directors are disqualified from being appointed 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**". We have disclaimed our opinion on the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has more than five hundred pending litigations and due to non-availability of adequate information, it is not possible to quantify the same.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no dues which were required to be transferred to Investor Education and Protection Fund by the Company.

For **Dayal and Lohia**
Chartered Accountants
Firm Regn. No. 102200W

Chohia



Anil Lohia
(Partner)
M. No. : 31626

Place: Mumbai
Date: January 31, 2022
UDIN : 22031626AAAABR7972

“ANNEXURE A” TO THE INDEPENDENT AUDITORS REPORT

The annexure referred to our Report of even date to the members of **Housing Development and Infrastructure Limited** on the financial statements for the year ended March 31, 2021. We report that:

1. In respect of its Fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets on the basis of available information;
 - b) The Resolution Professional has clarified that he has not been able to carry out physical verification of all the fixed assets owned by the Company and therefore, he cannot comment whether there are any material discrepancies in physical assets when compared with the records.
 - c) As per the financial statements presented to us, the Company owns lands amounting to INR 11,298.00 lakhs. We have received for verification, the ownership documents signifying the ownership of the Company on such lands.
2. The Resolution Professional has informed us that the physical verification of the inventory was carried out at the time of taking charge by the Interim Resolution Professional. The discrepancies, only to the extent ascertained, have been adjusted in the books by making appropriate provisions.
3. According to the information and explanations given to us, the Company has granted unsecured loans to its group companies amounting to INR 4,705.21 lakhs during the earlier years.
 - a) Owing to the absence of sufficient and appropriate evidence, we cannot comment whether the conditions of the grant of such loans are prejudicial to the interests of the Company;
 - b) Based on the information received from the Company, no stipulations with respect to any schedule of repayment have been entered into.
 - c) Since there are no due dates for the repayment of loans given to group companies, this clause is not applicable.
4. During the year the Company has not entered into transactions with entities in which the directors are interested.
5. According to the information and explanation given to us, the Company has received advances in earlier years, outstanding for more than one year, towards Land, Units, TDR, FSI, Advance Rental, Maintenance and other purposes amounting to INR 1,91,985.33 lakhs. However, due to lack of sufficient information, we are unable to comment whether the same can be treated as deposits under section 73 or under any other applicable Rules of the Companies Act, 2013.
6. Since the Company is engaged in real estate development as defined under para 5(a) of Schedule VI of the Companies Act 2013, the Company is required to maintain cost records under section

148(1) of the said Act. However, based on the inquiries made and responses obtained from the Resolution Professional, the Company has not made or maintained such Cost Records.

7. a) Based on the books of accounts, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and other material statutory dues, as applicable have not been regularly deposited with the relevant authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end are as follows:

Particulars of Dues	Amount (in INR Lakhs)
Provident Fund	594.44
E.S.I.C.	13.21
Profession Tax	27.04
Tax Deducted at Source and Tax Collected at Source	925.99
Value Added Tax	120.31
Goods and Services Tax	(315.45)
Service Tax	572.02

The above-mentioned figures have been taken from the books of accounts of the Company. However, we were not provided with proper supporting documents or information to verify the same.

- b) As per records produced before us and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Service tax, Duty of Customs and Value added tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Year	Particulars of Dues	Amount involved (in INR Lakhs)
2011-12	Professional Tax	114.90
2017-18	Professional Tax	27.20
2018-19	Professional Tax	13.74
2018-19	E.S.I.C. Dues	6.85
2018-19	E.S.I.C. Dues	0.08
2018-19	E.S.I.C. Dues	0.18
2018-19	E.S.I.C. Dues	5.03
2016-17	Provident Fund	749.81
2015-16	Maharashtra Value Added Tax	362.15
2017-18	Maharashtra Value Added Tax	265.55
2015-16	Maharashtra Goods & Service Tax	607.54
2009-10 to 2018-19	Income Tax	14,606.90



8. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion, that during the year, the Company being under the CIRP process its liability for repayment of principal and interest to banks, financial institutions, & debenture-holders stands abated. Hence the question of default in repayment does not arise.
9. In our opinion and on the basis of information and explanations given to us, the Company has not raised money by way of further public offer or term loans during the year.
10. According to the information and explanations given to us, there are several ongoing investigations against the Company which have been initiated by different government departments. Since the above-mentioned investigations are not yet concluded, we are unable to comment whether any fraud on or by the Company has been committed during the earlier years. However, we have not come across any incidence of fraud committed on or by the Company during the year.
11. Based on our examination of the books of accounts and according to the information and explanations given to us, during the year, the Company has not paid managerial remuneration to the its Key Managerial Personnel and therefore the provisions of Section 197 read with Schedule V of the companies Act, 2013 are not applicable.
12. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. Due to the possible cumulative effects of the reasons mentioned in the "Basis for Disclaimer of Opinion" para above, and in absence of an authentic list of related parties, we are unable to comment whether the transactions with related parties are in accordance with section 177 and 188 of the Act and whether details of such transactions have been disclosed in Financial Statements as required by applicable accounting standards.
14. According to the information and explanation given to us during the year the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures.
15. According to the information and explanation given to us during the year the Company has not entered into any non-cash transactions with directors or persons connected with them.



16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For **Dayal and Lohia**
Chartered Accountants
Firm Regn. No. 102200W



Anil Lohia
(Partner)
M. No. : 31626



Place: Mumbai
Date: January 31, 2022
UDIN: 22031626AAAAABR7972

ANNEXURE – 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

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

We were engaged to audit the internal financial controls over financial reporting of **Housing Development and Infrastructure Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

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) pertains 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.

Basis for Disclaimer of Opinion

Because of the cumulative effect of the reasons described in the basis for disclaimer opinion paragraph of our main report, it can be concluded that the Company has not established adequate internal financial controls and that whatever financial controls have been established were not operating effectively. While reference may be made to the aforesaid Paragraph, amongst others, the following significant aspects of material weaknesses in internal control system are particularly noteworthy:

- The quantitative records of inventory maintained by the Company did not match with its books of accounts.
- The confirmations of balances of secured and unsecured loans, trade receivables, trade and other payables and loans and advances are not available.
- The Company had not made any assessment of impairment of fixed assets, loans and advances and other assets as at the balance sheet date.
- The Company's internal control process in respect of closure of outstanding entries in Bank Reconciliation Statements are not adequate.
- The Company's internal financial control with regard to compliance with the applicable Indian Accounting Standards and evaluation of carrying values of assets and liabilities and other matters, as explained in the basis for disclaimer of opinion of our main report, resulting in the Company not providing for adjustments, which are required to be made, to the standalone financial statements.
- With respect to the operations of the Company prior to the commencement of the CIRP, the internal controls could not be tested and therefore we are unable to comment on the same.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial statements, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on a timely basis.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively during the year. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.



We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2021, and this report affects our report dated January 31, 2022 which expresses a disclaimer of opinion on the standalone financial statements of the Company.

For **Dayal and Lohia**
Chartered Accountants
Firm Regn. No. 102200W



Anil Lohia
(Partner)
M. No. : 31626



Place: Mumbai
Date: January 31, 2022
UDIN: 22031626AAAABR7972

HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Standalone Balance Sheet as at 31st March 2021

Particulars	Note No.	(INR in lakhs)	
		31st March, 2021	31st March, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	10,637.70	10,932.23
Investment Property	3	10,350.67	10,350.67
Other Intangible assets	2	-	-
Financial Assets			
Investments	4	48,936.24	48,936.24
Others	5	818.31	818.31
Deferred tax Asset (Net)	21	-	-
Current assets			
Inventories	6	2,83,744.04	2,83,744.04
Financial Assets			
Investments	7	101.58	101.58
Trade receivables	8	40,738.89	40,857.36
Cash and cash equivalents	9	368.02	376.11
Bank balances other than above	10	161.72	145.61
Others	11	1,095.21	1,095.48
Other current assets	12	106.19	98.19
Total Assets		3,97,058.56	3,97,455.80
EQUITY AND LIABILITIES			
Equity Share capital	13	47,400.40	47,400.40
Other Equity	14	(2,72,624.22)	(2,71,405.83)
LIABILITIES			
Current liabilities			
Financial Liabilities			
Borrowings	15	2,48,109.18	2,47,711.72
Trade payables	16	39,386.78	39,430.86
Other financial liabilities	17	1,24,647.96	1,24,411.45
Other current liabilities	18	1,94,595.60	1,94,355.81
Provisions	19	944.50	944.50
Current Tax Liabilities (Net)	20	14,598.35	14,606.90
Total Equity and Liabilities		3,97,058.56	3,97,455.80
Accounting Policies (The accompanying notes form an integral part of the financial statements.)	1	-	-

As per our Report of even date attached

For **Dayal & Lohia**

Chartered Accountants

Firm Registration Number: 102200W

CA Anil Lohia

Partner

Membership No. 031626

Place : Mumbai

Date : 31st January 2022



As per my Report of even date attached

For **Housing Development and Infrastructure Limited**

Abhay Manudhane

Resolution Professional

IBBI Regn No:IBBI/IPA-001/IP-P00054/2017-18/10128

HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

Standalone Statement of Profit and Loss for the year ended 31st March 2021

(INR in Lakhs)

Particulars	Note No.	31st March, 2021	31st March, 2020
Revenue From Operations	22	85.38	41,419.23
Other Income	23	128.31	1,040.42
Total Income		213.69	42,459.65
EXPENSES			
Cost of materials consumed	24	-	43,544.86
Changes in inventories of finished goods & work-in-progress	25	-	43,223.36
Employee benefits expense	26	453.56	1,863.37
Finance costs	27	-	11,094.58
Depreciation and amortization expense	2&3	272.88	861.23
Other expenses	28	705.64	1,163.07
Total expenses		1,432.08	1,01,750.46
Loss before exceptional items and tax		(1,218.39)	(59,290.81)
Exceptional Items	29	-	13,40,371.81
Loss before tax		(1,218.39)	(13,99,662.62)
Tax expense:			
Current tax		-	-
Deferred tax		-	(2,932.09)
		-	(2,932.09)
Loss for the period		(1,218.39)	(13,96,730.53)
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans (Expenses)/ Income		-	-
		-	-
		(1,218.39)	(13,96,730.53)
Earnings per equity share (for continuing operation):	30		
Basic		(0.26)	(296.75)
Diluted		(0.26)	(296.75)
Accounting Policies	1		
(The accompanying notes form an integral part of the financial statements.)			

As per our Report of even date attached

As per my Report of even date attached

For Dayal & Lohia

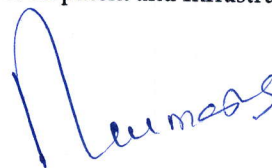
For Housing Development and Infrastructure Limited

Chartered Accountants

Firm Registration Number: 102200W


CA Anil Lohia
Partner
Membership No. 031626





Abhay Manudhane
Resolution Professional
IBBI Regn No:IBBI/IPA-001/IP-P00054/2017-18/10128

Place : Mumbai
Date : 31st January 2022

HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Statement of Changes In Equity

A. Equity Share Capital

(INR in Lakhs)

Particulars	31st March 2021	31st March 2020
Balance at the beginning of the year	47,400	45,400
Change in Equity share capital during the year	-	2,000
Balance at the end of the year	47,400	47,400

B. Other Equity

(INR in Lakhs)

	Reserves & Surplus				Money received against Share Warrant	Total Equity
	Securities Premium Reserve	Debenture Redemption Reserve	General Reserves	Retained Earnings		
As at 1st April, 2020	5,20,963.48	-	5,37,809.45	-13,30,178.76	-	-2,71,405.83
Adjustments	-	-	-	-	-	-
Loss for the year	-	-	-	-1,218.39	-	-1,218.39
Addition during the year	-	-	-	-	-	-
Subtotal	5,20,963.48	-	5,37,809.45	-13,31,397.15	-	-2,72,624.22
Contributions by and distributions to owners						
Transfer to Share Capital	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
as on 31st March, 2021	5,20,963.48	-	5,37,809.45	-13,31,397.15	-	-2,72,624.22

Other Equity	Reserves & Surplus				Money received against Share Warrant	Total Equity
	Securities Premium Reserve	Debenture Redemption Reserve	General Reserves	Retained Earnings		
As at 1st April, 2019	5,16,743.48	17,501.78	5,20,307.67	65,398.63	6,220.00	11,26,171.56
Adjustments	-	4,987.74	-4,987.74	-	-	0.00
Loss for the year	-	-	-	-13,96,730.53	-	-13,96,730.53
Addition during the year	4,220.00	-	22,489.52	-	-	26,709.52
Subtotal	4,220.00	4,987.74	17,501.78	-13,96,730.53	-	-13,70,021.01
Contributions by and distributions to owners						
Transfer to Share Capital	-	-	-	-	-6,220.00	-6,220.00
Transfer to General Reserve	-	-22,489.52	-	-	-	-22,489.52
Other changes	-	-	-	1,153.14	-	1,153.14
as on 31st March, 2020	5,20,963.48	-	5,37,809.45	-13,30,178.76	-	-2,71,405.83

Notes:

- a) During previous financial year, the Company has converted 2,00,00,000 equity share warrants to share capital in the name of Mr. Sarang Kumar Wadhawan, having face value of INR 2,000 lakhs at a consideration of INR 6,220 lakhs. However, the requisite documents related to the terms and conditions of the conversion were not available.
- b) During previous financial year, an effect of INR 1,153.14 lakhs has been given in the retained earnings of the Company. However, no information or documents were available for the same.

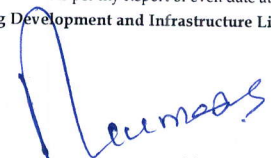
As per our Report of even date attached
For **Dayal & Lohia**
Chartered Accountants
Firm Registration Number: 102200W


CA Anil Lohia
Partner
Membership No. 031626

Place : Mumbai
Date : 31st January 2022



As per my Report of even date attached
For **Housing Development and Infrastructure Limited**


Abhay Manudhane
Resolution Professional
IBBI Regn No:IBBI/IPA-001/IP-P00054/2017-18/10128

HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Standalone Cash Flow Statement for the year ended 31st March 2021

	(INR in Lakhs)	
Particulars	31st March, 2021	31st March, 2020
A Cash flow from operating activities		
Profit for the period		
Adjustments for :	(1,218.39)	(13,99,662.62)
Depreciation and amortisation expense	272.88	861.23
Interest expenses	-	11,094.58
Interest received	-	(507.46)
Non cash income	-	(53.08)
Loss on sale of fixed assets	6.38	-
Non cash adjustments made during the year	-	554.44
Profit on sale of fixed assets	(1.63)	277.64
Operating profit before working capital changes	(940.75)	(1.10)
Operating profit before working capital changes		11,948.61
Movements in working capital :	(940.75)	(13,87,714.01)
Decrease / (Increase) in inventories	-	85,630.49
Decrease / (Increase) in trade receivable	118.47	(1,81,026.79)
Decrease / (Increase) in other receivables	0.27	(64.28)
(Decrease) / Increase in trade payables	(43.12)	(5,729.09)
Decrease / (Increase) in other financial assets	-	(8.02)
(Decrease) / Increase in financial liabilities	236.52	55,103.49
(Decrease) / Increase in Other Current Assets	(8.00)	(46,747.67)
(Decrease) / Increase in Other Current Liabilities	239.79	41,203.99
Net movement in working capital	543.92	(51,637.88)
Cash generated from operations	(396.83)	(14,39,351.89)
Less : Direct taxes paid (net of refunds)	(8.55)	(2,810.12)
Net cash from operating activities (before exceptional items)	(405.38)	(14,42,162.01)
Exceptional items	-	13,40,371.81
Net cash from operating activities (after exceptional items)	(405.38)	(1,01,790.20)
B Cash flows from investing activities		
Interest received	-	507.46
Maturity of Fixed Deposits	(16.11)	12,710.07
Proceeds from sale of fixed asset	15.95	11.18
Net cash from investing activities	(0.16)	13,228.71
C Cash flows from financing activities		
Borrowings Taken / Borrowings re-grouped	397.46	97,924.58
Interest paid	-	(11,094.57)
Net cash used in financing activities	397.46	86,830.01
Net increase in cash and cash equivalents (A + B + C)	(8.08)	(1,731.48)
Cash and cash equivalents at the beginning of the year	496.22	2,227.71
Cash and cash equivalents at the end of the year	488.14	496.22
Components of cash and cash equivalents as at	31st March, 2021	31st March, 2020
Cash on hand	67.62	67.95
With banks - on current account	250.43	258.17
- on Escrow account	49.98	49.98
- on deposit account	120.31	120.31
- in Overdraft with Bank	(0.20)	(0.20)
Total	488.14	496.22

Note : Figures in brackets indicate outflow.

As per our Report of even date attached
For **Dayal & Lohia**
Chartered Accountants
Firm Registration Number: 102200W

CA Anil Lohia
Partner
Membership No. 031626

Place : Mumbai
Date : 31st January 2022



As per my Report of even date attached
For **Housing Development and Infrastructure Limited**

Abhay Manudhane
Abhay Manudhane
Resolution Professional
IBBI Regn No:IBBI/ IPA-001/ IP-P00054/2017-18/10128

HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes forming part of the Financial Statements

1.1 Inability to Compile True and Fair Accounts:

- a) The Company was admitted under the Insolvency and Bankruptcy Code, 2016 ("IBC") on 20th August 2019 vide the order of Hon'ble NCLT (Mumbai Bench). However, the Interim Resolution Professional ("IRP") took charge of the Corporate Debtor on 26th August 2019. The Committee of Creditors (CoC) confirmed the appointment of Shri. Abhay Narayan Manudhane as the Resolution Professional ("RP") in their meeting held on 08th January 2020.

While compiling the accounts for previous financial year, the RP faced several operational problems while compiling details and finalising accounts due to exodus of critical employees in finance, accounts, banking, secretarial and other departments. No information could be gathered from the management as promoter directors were taken into judicial custody within a month of taking charge by the IRP. Some of the key officials / KMP resorted to non-cooperation which compelled the RP to file an application u/s 19(2) of IBC with the Hon'ble NCLT, Mumbai Bench. At the same time, the investigation by various investigating authorities were going on and the Company officials were engaged in providing details to them on priority. In the intervening period, the statutory auditor for the period ended 31st March 2019 tendered her resignation due to ill health and could not provide critical information relating to the accounts for previous year(s) wherein she acted as the statutory auditor. The matter further worsened due to nationwide lockdown on account of Covid-19.

Ultimately with available skeleton staff, efforts were made by the RP and his team with the help of externally hired accounting agency to complete the accounts on the basis of whatever information was available on best effort basis. Several serious irregularities were noticed by the RP as also by the transaction cum forensic auditors appointed by the RP which hampered the finalisation of accounts for year ended 31st March, 2020. Similar issues were faced by the RP while finalising accounts for the year ended 31st March, 2021. Therefore, in addition, due to the reasons mentioned in the notes below, RP was unable to compile true and fair accounts of the Company for the financial year ending on 31 March, 2021.

1.2 Opening Balances as on 1st April 2019

- a) Due to absence of information including the backup papers and calculations as also due to non-availability of the erstwhile management and key managerial staff, prior period's closing balances i.e., opening balances for the year ended 31st March 2020 could not be reconciled with the audited financial statements for the year ended 31st March 2019.
- b) As reported by the transaction cum forensic auditors, there were numerous misstatements and errors in the classification and presentation of information in the financial statements of the years prior to year ended 31st March 2020. However, due to non-availability of complete information, the said misstatements and errors could not be rectified and the impact continues in the accounts for the year ended 31st March 2021.

1.3 Corporate Information

Housing Development and Infrastructure Limited ("HDIL") (CIN : L70100MH1996PLC101379) is engaged primarily in the business of real estate construction , development and other related activities. The Company is a public limited Company incorporated and domiciled in India having its registered office at HDIL Towers, 9th Floor, Anant Kanekar Marg, Bandra (East), Mumbai- 400 050. The Company is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).



1.4 Significant accounting policies

a) Basis of preparation

- i) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, unless otherwise specified in the subsequent notes, these financial statements have been prepared to comply with all material aspects with the Accounting Standards notified under section 211(3C) of Companies Act, 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the assets and liabilities have been classified into current-non current.

ii) Use of estimates

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

b) Statement of compliance with Ind AS

These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

c) Revenue recognition

Revenue from the projects is recognised by applying Percentage of Completion Method in compliance of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) issued by the Institute of the Chartered Accountants of India. However, for the ongoing projects as on the date of introduction of Guidance Note on Accounting for Real Estate Transaction (Revised 2012) and also where Company has already commenced the recognition of the revenue from the projects, the Company follows completed project method of accounting ("Project Completion Method of Accounting") where in allocable expenses incurred during the year are debited to work-in-progress account and the income is accounted for as and when the projects get completed or substantially completed and also the revenue is recognised to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale: -

• Unit in real estate: -

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



- Sale / trading of goods and materials :-
Sales are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.
 - ii) Rent: -
Revenue is recognised on accrual basis.
 - iii) Interest: -
 - Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
 - Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
 - iv) Dividends: -
Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.
 - v) Share of profit from joint ventures:-
Share of profit/(loss) from partnership firms is accounted for in respect of the financial year ending on or before the Balance Sheet date.
 - vi) Profit on sale of investment: -
It is recognised on its liquidation / redemption.
- d) **Financial Lease**
- a) **As a lessor**
Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Recurring costs are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised in the Statement of Profit and Loss.
 - b) **As a lessee**
Leases where the lessor effectively retains substantially all the risks and benefits of ownership during the leased term, are classified as operating leases. Operating lease payments are charged to the Statement of Profit and Loss.
- e) **Operating lease**
Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.
- f) **Foreign currency transactions**
- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
 - b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
 - c) Non monetary foreign currency items are carried at cost.
 - d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.



g) Transactions in foreign currencies

The functional currency of the Company, being the currency of the primary economic environment in which the Company operates, is Indian Rupees ("₹"). The financial statements are presented in Indian Rupees.

- i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.
- iii) Non-monetary foreign currency items are carried at historical cost are translated at the exchange rate prevalent at the date of the transaction.

h) Employees benefits

- i) Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as and when incurred.
- ii) Defined Benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The Company has an obligation to make good the shortfall, if any.
- iii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.
- iv) Provident Fund
Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due.
- v) Gratuity
Retirement gratuity liability of employees is a defined benefit obligation and reflects the actuarial valuation of the future gratuity liability.
- vi) Leave encashment
Long term compensated absences are provided on the basis of actuarial valuation.
- vii) Actuarial gains / losses
Actuarial gains / losses, if any, are immediately taken to the Profit and Loss Account and are not deferred.
- viii) Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.
- ix) Termination benefits are recognised as and when incurred.



- i) **Retirement and other employee benefits**
- i) The Company operates both defined benefit and defined contribution schemes for its employees.
 - ii) The Company recognises service costs comprising current service costs, past-service costs, remeasurement of other long term employee benefits, gains and losses on curtailments and non-routine settlements and net interest expense or income as an expense in the statement of profit and loss.
 - iii) The Company's contributions paid / payable towards the defined contribution plan is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.
 - iv) Short-term employee benefits are expensed as the undiscounted amount in the Statement of Profit and Loss in the year the employee renders service.
- j) **Income taxes**
- Tax expense comprises of current and deferred tax.
- i) Tax expense comprises of current and deferred tax charge or credit. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
 - ii) Deferred income tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
 - iii) **Current Tax**
Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
 - iv) **Deferred tax**
Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.
 - v) **Minimum Alternate Tax (MAT)**
Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that future economic benefits associated with it will flow to the Company and the assets can be measured reliably.



k) Property, plant and equipments and intangible assets

- i) Property plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
- ii) Capital work-in-progress comprises cost of Property, Plant & equipment and related expenses that are not yet ready for their intended use at the reporting date.
- iii) Intangible assets which have definite useful life are stated at cost less accumulated amortisation and impairment loss. The intangible assets which have indefinite life are not amortised but tested for impairment annually.
- iv) Investment property
Investment properties are properties (land or a building—or part of a building—or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property is included in the statement of profit and loss in the period in which the property is derecognised.

l) Depreciation / Amortisation on Property, Plant and Equipment / other intangible assets

- i) Depreciation on Property, Plant & Equipment is provided on the straight-line method over the useful lives of assets as specified in Schedule II of the Companies Act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during a year is proportionately charged. Intangible assets are amortised over their respective estimated useful lives on a straight-line basis, commencing from the date of asset is available to the Company for its use. The estimated useful life and residual value is reviewed at the end of each reporting financial year and changes, if any, are accounted for prospectively.
- ii) Based on an independent technical evaluation, the useful life of Mobile Phones has been estimated as 3 years, which is different from that prescribed in Schedule II of the Act.

m) Borrowing cost

- i) Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset (including real estate projects) are considered as part of the cost of the qualifying asset. Other borrowing costs are treated as period costs and charged to Statement of Profit and Loss as and when they are incurred.
- ii) Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.



n) **Impairment**

- i) The carrying amounts of assets are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.
- ii) After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- iii) A previously recognised impairment loss is increased or decreased depending on change in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined has no impairment loss been recognised.

o) **Impairment of Property, Plant & Equipment and intangible assets**

- i) The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in income statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted.

- ii) An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss are recognised in the profit and loss statement.

p) **Inventories**

Inventories are valued as follows:

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

- i) Completed property for sale and transferable development rights are valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing costs and other related overheads as the case may be.
- ii) Projects in progress are valued at lower of cost or net realisable value. Cost formulae used are 'First-in-First-out'. Cost includes cost of land, land development rights, materials, services, borrowing costs, acquisition of tenancy rights and other related overheads. Cost incurred / items purchased specifically for projects are taken as consumed as and when incurred / received.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

- iii) In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the intermediate period, generally, the land is not registered in the name of the Company.



q) **Financial instruments**

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) **Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

ii) **Subsequent Measurement - Financial Assets**

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

- **Debt Instrument**
- **Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and

The asset's contractual cash flows represent solely payments of principle and interest. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- **Fair value through Profit and Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

- **Equity investments**

The Company subsequently measures all equity investments, other than investment in subsidiary at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payment is established.



- **Investment in subsidiaries**
Investment in subsidiaries is carried at cost less impairment loss, if any in the separate financial statements.
 - **Derecognition of financial assets**
The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.
 - **Impairment of financial assets**
The Company, after performing internal assessments, recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.
- iii) **Subsequent Measurement - Financial Liabilities**
- **Financial liabilities measured at amortised cost**
Financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.
 - **Financial liabilities measured at FVTPL (fair value through profit or loss)**
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.
 - **Derecognition of financial liabilities**
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.
 - **Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.
 - **Determination of fair value**
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.
In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.



Reclassification of financial assets and Liabilities

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 financial assets which are debt instruments, 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.

r) Provisions, contingent liabilities and contingent assets

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

s) Provisions, contingent liabilities and contingent assets

i) Provisions are recognised when the Company has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available.

The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the reporting date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

ii) Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised but are disclosed in the notes unless the likelihood of their crystallizing is remote.

iii) Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

t) Earnings per share

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

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



u) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

v) **Investments**

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

w) **Segment reporting policies**

The main business of the Company is real estate development and construction of residential and commercial properties, infrastructure facilities and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (IND AS - 108) on "Operating Segments".



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

Notes to Standalone Financial Statements

2. Property, Plant and Equipment and Intangible assets

Description	Gross Block					Depreciation / Amortisation				Net Block		
	As at 1st April, 2020	Additions	Deduction	Adjustments	As at 31st March, 2021	As at 1st April, 2020	For the period	Deduction	Adjustments	As at 31st Mar, 2021	As at 31st Mar, 2020	
Freehold Land and Buildings	12,466.28	-	-	-	12,466.28	1,894.56	209.04	-	-	2,103.61	10,362.68	10,571.72
Plant and Machinery	842.17	-	-	-	842.17	592.37	37.86	-	-	630.23	211.94	249.80
Furniture and Fixtures	497.78	-	-	-	497.78	482.42	8.66	-	-	491.07	6.70	15.36
Vehicles	492.04	10.53	100.61	-	401.97	403.62	15.04	78.43	10.01	350.24	51.73	88.42
Office Equipments	482.99	-	-	-	482.99	479.64	1.26	-	-	480.89	2.10	3.35
Computers	387.48	-	-	-	387.48	383.90	1.02	-	-	384.92	2.56	3.58
Property, Plant and Equipment (A)	15,168.74	10.53	100.61	-	15,078.67	4,236.51	272.88	78.43	10.01	4,440.97	10,637.69	10,932.23
Intangible assets (B)	766.39	-	-	-	766.39	766.39	-	-	-	766.39	-0.00	-0.00
Grand Total (A + B)	15,935.14	10.53	100.61	-	15,845.07	5,002.90	272.88	78.43	10.01	5,207.37	10,637.69	10,932.23

Notes:

- i) For the various reasons mentioned in Note no. 1, physical verification and assessment of the carrying value of the entire tangible assets of the Company could not be made.
- ii) During the previous financial year, an adjustment of INR 2,396.11 lakhs and INR 1,841.68 lakhs has been made to the original cost and accumulated depreciation respectively. The same has been presented to reconcile the opening balances with the books of accounts.

3. Investment Property

Description	Gross Block					Depreciation / Amortisation				Net Block		
	As at 1st April, 2020	Additions	Deduction	Adjustments	As at 31st Mar, 2021	As at 1st April, 2020	For the period	Deduction	Adjustments	As at 31st Mar, 2021	As at 31st Mar, 2020	
Lease out property	11,298	-	-	-	11,298.00	947.33	-	-	-	947.33	10,350.67	10,350.67
	11,298	-	-	-	11,298.00	947.33	-	-	-	947.33	10,350.67	10,350.67

Notes:

- i) Details and documents regarding investments made by the Company in immovable property amounting to INR 10,350.67 lakhs (P. Y. INR 10,350.67 lakhs) were not available. Due to the absence of sufficient information, an assessment for impairment of the said investments could not be made and the same could not be restated at their fair values as required by the Indian Accounting Standards.
- ii) Due to the absence of sufficient information, a Right of Use Asset and Lease Liability in respect of the said immovable properties could not be recognised as required under Ind AS 17.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

(INR in Lakhs)

4. Particulars	31st March, 2021	31st March, 2020
Investments (Non Current)		
Investments in Equity Instruments		
<u>Other than trade (Unquoted Shares)</u>		
Punjab and Maharashtra Co-op. Bank Limited		
1,90,000 (previous year 1,90,000) Equity Shares of ` 25/- each fully paidup	47.50	47.50
Dreams The Mall Company Limited		
93,957 (previous year 93,957) Equity Shares of ` 10/- each fully paidup	9.40	9.40
	56.90	56.90
<u>In subsidiary Company (Unquoted Shares)</u>		
Privilege Power and Infrastructure Private Limited		
1,61,05,000 (previous year 1,61,05,000) Equity Shares of ` 100/- each fully paidup	36,145.79	36,145.79
Mazda Estates Private Limited		
4,10,000 (previous year 4,10,000) Equity Shares of ` 10/- each fully paidup	2,746.35	2,746.35
Guruashish Construction Private Limited		
31,00,000 (previous year 31,00,000) Equity Shares of ` 100/- each fully paidup	29,948.75	29,948.75
Less: Provision for Investment in Subsidiaries	(29,948.75)	(29,948.75)
Net Investment in Guruashish Construction	-	-
BKC Developers Private Limited		
98,500 (previous year 98,500) Equity Shares of ` 10/- each fully paidup	9,297.20	9,297.20
Lashkaria Construction Private Limited		
69,00,000 (previous year 69,00,000) Equity Shares of ` 10/- each fully paidup	690.00	690.00
	48,879.34	48,879.34
	48,936.24	48,936.24
	48,936.24	48,936.24

Notes:

- i) Details and documents regarding investments made by the Company in subsidiaries and shares amounting to INR 78,884.99 lakhs (P.Y. INR 78,884.99 lakhs) were not available.
- ii) Due to the absence of sufficient information, an assessment for impairment of the said investments, other than Guruashish Constructions Private Limited, could not be made and the same could not be restated at their fair values as required by the Indian Accounting Standards.
- iii) National Company Law Tribunal (NCLT) vide its order dated 04th September 2020 has ordered liquidation of Guruashish Constructions Private Limited. Accordingly, due to liquidation of Guruashish Constructions Private Limited, investment made in the company by HDIL amounting to INR 29,948.75 lakhs (P.Y. INR 29,948.75) will become Nil as on 31.03.2021 (P.Y. Nil). Provision thereof to give effect to this has been made in the previous financial year.
- iv) Till this date, the Company has not received audited financial statement of their subsidiary companies / associates concerns / sister concerns for financial year 2019-20 & 2020-21. In absence of audited financials of Companies' subsidiary companies, associates, consolidated financial statements for the Company for the year ended 31st March, 2021 could not be prepared.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

(INR in Lakhs)

5. Particulars	31st March, 2021	31st March, 2020
Others (Non Current)		
Security Deposit	41.23	41.23
Guarantee Obligation Commission	777.08	777.08
	818.31	818.31

Notes:

- i) Details and documents regarding guarantee obligation commission amounting to INR 777.08 lakhs (P.Y. INR 777.08 lakhs) were not available for both the years.

(INR in Lakhs)

6. Particulars	31st March, 2021	31st March, 2020
Inventories:		
Work-in-progress	10,99,047.13	10,99,047.13
Less: Provison for Work-in-progress	(8,33,933.26)	(8,33,933.26)
Net Work-in-progress	2,65,113.88	2,65,113.88
Finished goods	18,630.17	18,630.17
	2,83,744.04	2,83,744.04

Notes:

- i) Physical verification of the inventory was carried out during the previous financial year by the RP. The discrepancies, to the extent ascertained, have been adjusted in the books by making appropriate provisions in the previous financial year.

(INR in Lakhs)

7. Particulars	31st March, 2021	31st March, 2020
Current Investments		
Investments in partnership firms		
M/s Fine Developers (Fixed Capital ` Nil) (Share of profit-90%, other partner and share of profit is Sapphire Land Development Private Limited - 10%.)	1.58	1.58
Heritage Housing Development Corporation (Fixed Capital ` Nil) (Share of profit-60%, other partner and share of profit is Pioneer India Developers Private Limited - 40%.)	100.00	100.00
	101.58	101.58

Notes:

- i) Details and documents regarding investments made by the Company in partnership firms amounting to INR 101.58 lakhs (P.Y. INR 101.58 lakhs) were not available.
- ii) Due to the absence of sufficient information, an assessment for impairment of the said investments could not be made and the same could not be restated at their fair values as required by the Indian Accounting Standards.
- iii) The Company has not received the audited financial statements of the above mentioned partnership firms for the financial year 2020-21. Also for previous year, financials were not submitted by the partners of the above mentioned firms.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

	(INR in Lakhs)	
8. Particulars	31st March, 2021	31st March, 2020
Trade receivables		
Outstanding for less than six months		
Unsecured considered good	40,738.89	40,857.36
Outstanding for more than six months		
Unsecured considered doubtful	1,78,051.08	1,78,051.08
Less: Provision for doubtful debts	(1,78,051.08)	(1,78,051.08)
	40,738.89	40,857.36

Notes:

- i) Due to non-availability of sufficient information, the bifurcation of trade receivables into more than 6 months and less than 6 months as required under Schedule III could not be done for current year.
- ii) The Company has provided trade receivables of INR 1,78,051.08 lakhs during year ended 31st March, 2020 as impairment loss on best judgement assessment. Such estimation was done based on non-receipt of confirmations, internal assessment by Company Officers or where information such as tax identification numbers, correspondence or billing addresses, contact person details, email IDs and other relevant details were not available in customer master maintained in the accounting system nor with the Officers.

	(INR in Lakhs)	
9. Particulars	31st March, 2021	31st March, 2020
Cash and cash equivalents		
Balances with Banks (of the nature of cash and cash equivalents);		
Current accounts	250.43	258.17
Current Account balances in Escrow Account	49.98	49.98
Cash on hand	67.62	67.95
	368.02	376.11

Notes:

- i) The total cash on hand of INR 67.62 lakhs as per the books of accounts as on 31.03.2021 comprises of the following:
1. Main Cash Book
 2. Petty Cash Book
 3. Imprest Cash to Employees
- No physical cash was available against the book balances in the Main Cash Book and Imprest Cash to Employees of INR 39.16 lakhs and INR 27.92 lakhs respectively.
- Further, in the case of Petty Cash Book, due to the onset of COVID-19, the physical balance as on 31st March, 2020 could not be verified. However, when the physical verification was done on 29th July, 2020, the physical cash was found short by INR 0.29 lakhs.
- Thus, out of the petty cash book of INR 0.54 lakhs, an amount of INR 0.29 lakhs was physically not available in the Company.
- ii) Statements for bank accounts having aggregate negative balances of INR 38.67 lakhs (P.Y. INR 38.67 lakhs) could not be obtained from the concerned banking authorities.
- iii) Out of all the bank accounts maintained by the company having book balances of INR 300.41 lakhs (P.Y. INR 308.15 lakhs), the only operational bank account with ICICI bank is reconciled amounting to INR 38.11 lakhs (P.Y. INR 45.86 lakhs) and the remaining book balance aggregating to INR 262.30 lakhs (P.Y. INR 262.30 lakhs) could not be reconciled with the bank statements on account of the non-availability of the details.
- iv) Balance confirmations for the accounts maintained by the Company could not be obtained from the Banks.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

(INR in Lakhs)

10. Particulars	31st March, 2021	31st March, 2020
Bank balances		
In Fixed Deposit with less than a year maturity	120.31	120.31
Interest accrued on fixed deposits	41.41	25.30
	161.72	145.61
Notes:		
i) During the previous financial year 2019-20, the erstwhile promoters encashed on 19th August, 2019 i.e. just a day before the commencement of CIRP the FDRs amounting to INR 11,886.86 lakhs and the remaining FDRs of INR 120.31 lakhs (P.Y. INR 120.31 lakhs) were seized by the income tax authorities.		
ii) During the financial year 2020-21, Interest income amounting to INR 16.11 lakhs has been recorded by the Company as per the details in 26AS in absence of Information from banks.		

(INR in Lakhs)

11. Particulars	31st March, 2021	31st March, 2020
Financial Assets : Others		
Security Deposits	1,012.46	1,012.46
Advances to related parties		
(a) Loan to subsidiaries	5,585.57	5,585.57
Less: Provision for loan to Subsidiaries	(5,585.57)	(5,585.57)
Net Loan to subsidiaries	-	-
(b) Other advances		
Loans to employees	82.75	83.02
	-	-
	1,095.21	1,095.48
Notes:		
i) Loan to subsidiaries are amounting to INR 5,585.57 lakhs (P.Y. INR 5,585.57 lakhs) and as per current situations, these loans are seems to be non recoverable. Such best judgement assessment to reflect the carrying value of these investments was taken after considering the financial position and recoverability thereof based on publicly available records.		

(INR in Lakhs)

12. Particulars	31st March, 2021	31st March, 2020
Other Current Assets		
Advance to suppliers	13,407.02	13,398.04
Less: Provision for Advance to suppliers	(13,398.04)	(13,398.04)
Net Advance to suppliers	8.97	-
Advances for land purchase / tenancy / claims / development rights	2,79,450.58	2,79,455.11
Less: Provision for above advances	(2,79,455.11)	(2,79,455.11)
Net Advance to suppliers	(4.53)	-
Deferred Rent income (Straight line)	95.23	95.23
Prepaid expenses	6.52	2.96
	106.19	98.19
Notes:		
i) Details regarding purpose and recoverability of the advances given to suppliers and advances given towards land purchase / tenancy / claims / development rights could not be ascertained.		
ii) The major outstanding balance of the said advances as on 31.03.2021 is outstanding since 31.03.2011. Hence major balances are time barred and funds of the corporate debtor are blocked.		
iii) Further, certain companies are strike off from the MCA and hence the probability to recover those advances from these companies are remote. Therefore, appropriate provisions are made in this regard.		



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

Particulars	(INR in Lakhs)	
	31st March, 2021	31st March, 2020
Share Capital		
Authorised		
1,00,00,00,000 (previous year 1,00,00,00,000) Equity Share of ` 10/- each	1,00,000.00	1,00,000.00
Issued, Subscribed and Paid up		
47,40,03,986 (previous year 45,40,03,986) Equity Shares of ` 10/- each fully paid-up	47,400.40	47,400.40
	47,400.40	47,400.40

(i) **Reconciliation of the number of shares outstanding :** (INR in Lakhs)

Particulars	31st March, 2021	31st March, 2020
	Number (lakhs)	Number (lakhs)
Shares outstanding at the beginning of the year	4,740.04	4,540.04
Shares Issued during the year	-	200.00
Shares bought back during the year		-
Shares outstanding at the end of the year	4,740.04	4,740.04

(ii) **Shares in the Company held by each shareholder holding more than 5 percent :**

Sarang Kumar Wadhawan	Number	591,59,115	591,59,115
	%	12.48%	12.48%
Interactive Multimedia Technologies Private Limited	Number	3,01,53,106	3,01,53,106
	%	6.36%	6.36%
Dinshaw Trapinex Builders Private Limited	Number	2,86,48,434	2,86,48,434
	%	6.04%	6.04%
Dheeraj Consultancy Private Limited	Number	2,86,48,436	2,86,48,436
	%	6.04%	6.04%
Orbis SICAV - Asia Ex- Japan Equity Fund	Number	2,67,88,612	2,67,88,612
	%	5.65%	5.65%
Rakesh Kumar Wadhawan	Number	256,00,000	256,00,000
	%	5.40%	5.40%
Privilege Distilleries Private Limited	Number	2,49,47,891	2,49,47,891
	%	5.26%	5.26%

Note:

- i) During the previous financial year, the Company has converted 2,00,00,000 equity share warrants to share capital in the name of Mr. Sarang Kumar Wadhawan, having face value of INR 2,000.00 lakhs at a consideration of INR 6,220.00 lakhs. However, the requisite documents related to the terms and conditions of the conversion were not available for verification.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

(INR in Lakhs)

14. Particulars	31st March, 2021	31st March, 2020
Other Equity		
Securities Premium Reserve	5,20,963.48	5,20,963.48
Debenture Redemption Reserve	-	-
General Reserves	5,37,809.45	5,37,809.45
Retained Earnings	(13,31,397.15)	(13,30,178.76)
Money received against Share Warrant	-	-
	(2,72,624.22)	(2,71,405.83)

Note:

- i) Debenture Redemption Reserve (DRR) was reflected in the books at INR 22,489.52 lakhs at the beginning of the previous financial year (2019-20). On June 30, 2019, the entire amount has been nullified and transferred to General Reserves. Consequently, the balance of DRR as on March 31, 2020 is NIL (P.Y. NIL).

Although, the entire balance of the said Reserve has been reversed, the debentures have not been redeemed. This is in violation of Section 71 of the Companies Act, 2013.

No reasoning for such adjustment was available to RP either by the erstwhile management or the staff of the Company.

(INR in Lakhs)

15. Particulars	31st March, 2021	31st March, 2020
Current Borrowings		
Loans repayable on demand		
from banks	1,36,754.74	1,36,754.74
from COC	397.46	-
Other loans		
Term Loans from Scheduled Banks	17,215.99	17,215.99
Term loans from Financial Institutions	93,741.00	93,741.00
	2,48,109.18	2,47,711.72

Notes:

- i) As statutorily required, the IRP made a public announcement on 29th August 2019 inviting claims from creditors of the Company. In response to the public announcement, till 31st March, 2021, the IRP received claims of INR 23,38,533.88 lakhs (P.Y. INR 7,97,536.02 lakhs) from financial creditors (including INR 1,61,459.46 lakhs (P.Y. INR 1,06,877.21 lakhs) from home buyers and INR 2,54,689 lakhs (P.Y. INR 2,54,689 lakhs) towards invocation of corporate guarantee), INR 1,87,876.28 lakhs (P.Y. INR 1,31,900.00 lakhs) from operational creditors, INR 61,654.62 lakhs (P.Y. INR NIL) from other creditors and INR 1,164.16 lakhs (P.Y. INR 1,160.14 lakhs) from the employees. The company has not accounted the corporate guarantee invoked amounting to INR 2,54,689 lakhs in the books of accounts, as the company couldnot ascertain the actual liability as the subsidiaries/companies on behalf of whom HDIL has given corporate guarantee are either under liquidation process or solvent and hence the same has been disclosed under contingent liability.
Previous Year figure indicates the claims received by the RP as on 3rd January 2019.
- ii) Requests for balance confirmations in accordance with SA 505 have been sent to the concerned parties but RP has not received any confirmations till date.
- iii) In case of Non-Convertible Debentures, till previous financial year, cheques towards repayment were issued on the last day of every financial year, thereby showing payment and nullifying the liability. The said cheques were reversed on the very next day, i.e., on the first day of the next financial year, thereby reinstating the liability again. Neither the debenture statement nor a satisfactory explanation for such transactions could be obtained from the erstwhile management/concerned officers.
- iv) During previous financial year, for the quarter ending on 30th June, 2019, Ind AS adjustments relating to unwinding of finance cost amounting to INR 23.26 lakhs have been made in the books of accounts. However, the relevant documents and calculations could not be obtained from the erstwhile management. Hence similar adjustment, if any, has not been made for subsequent period.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

Notes to Standalone Financial Statements

Details of securities and other terms and conditions are as under :-

I) Loans repayable on demand from Scheduled Bank :-

Punjab and Maharashtra Co-operative Bank Limited :-

Secured by pledge of fixed deposit receipts with the bank, current rate of interest 13% (Previous year 13%).

The above PMC loan is repayable on demand

II) Term Loans from Scheduled Banks :-

a) Central Bank of India :-

Secured by registered mortgage of immovable properties admeasuring 40,468.56 Sq. mtrs. situated at CTS No. 637A, Premier Road, Village Kurla, Mumbai. Rate of interest base rate + 5 % p.a. payable monthly.

The above Loan facility was repayable in 6 monthly installments after the moratorium period of 18 months from the date of first disbursement - Door to Door Tenure of 24 months

b) The Jammu and Kashmir Bank :-

i) Term loan - I - Interest rate is base rate +3.50% p.a. payable monthly.

ii) Term Loan - II - Secured by 1st Charge on the cash flows, receivables and project agreements/ project escrow account and project DSRA of the free sale area, and 1st charge by way of mortgage of development right. Interest rate is base rate + 3.00 % p.a. payable monthly.

iii) Term Loan - III - Secured by 1st Charge on the cash flows, receivables, all current assets of the project and project agreements/ project escrow account and project DSRA of the free sale area and 1st charge by way of mortgage of development rights. Interest rate is base rate + 3.00 % p.a. payable monthly.

All the above loans are secured by immovable properties admeasuring 2,91,610 Sq. mtrs. (P.Y. 2,91,610 Sq. mtrs.) situated at Village Kopri, District Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company.

Details w.r.t to repayment terms are not available.

c) Allahabad

i) Secured by registered mortgage over the total construction area of 1,12,140.10 Sq. mtrs. (P.Y. 1,12,140.10 Sq. mtrs.) which includes free sale area admeasuring approximately 67,732.72 Sq. mtrs. at CTS no. 551/27,552(pt), 552/1, 552/5 to 12 of Village Nahur, Mumbai together with the structure standing thereon and further secured by 45,342 Sq. mtrs. of immovable properties situated at Village Chandansar, Dist. Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. Rate of Interest base rate + 5% p.a. payable monthly.

ii) Secured by exclusive charge on Escrow account as well as equitable mortgage of immovable properties admeasuring 54,970 Sq.mtrs at Village Maljipada, Dist. - Thane, comprising of various survey numbers. Rate of interest is base rate + 5% p.a. payable monthly.

iii) Secured by exclusive charge on all projects assets of the Company at Mulund and Palghar. Rate of interest is base rate + 5% p.a. payable monthly.

iv) The above loan facility was repayable in 12 Equal quarterly installments after moratorium of 24 months from the date of first disbursement

d) Syndicate

Secured by pari passu charge over escrow of Cash flows arising out of the project Whispering Tower and further secured by immovable properties admeasuring 87,220 Sq.mtrs. situated at Village Doliv, Koshimbe, Dist. Thane, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company. Rate of Interest base rate + 3% p.a. payable monthly.

The above loan facility was repayable in 60 months from the date of first draw down. Loan to be repaid in 12 equal quarterly installments of Rs. 8.34 crores each with a moratorium period of 24 months after first disbursement. (First quarterly installment shall fall due on the last day of the quarter after the expiry of moratorium period of 24 months from the date of disbursement)

e) Yes Bank

Secured by exclusive charge on Projects Metropolis, Galaxy and Majestic Towers on development rights. Repayable 33.33% every year from 36th month of its disbursement



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

Notes to Standalone Financial Statements

The Company has proposed One time settlement to all its lender of its outstanding banking facilities and Company has received sanction for such proposal from some lenders. In accordance with such approval, payments will be made to banks and upon full & final payments, respective securities mortgaged will be released by the banks.

III) Term Loans from Financial Institution :-

a) IL & FS - PMDO:-

- i) Rate of interest is 13.50% p.a. payable monthly.
- ii) Rate of interest of the Funded interest term loan is 13.50% p.a. payable monthly.

Both the loans are secured by registered mortgage of immovable properties admeasuring 1,21,970 Sq. mtrs. (P.Y. 1,21,970 Sq. mtrs.) situated at Sasunavghar, comprising of various survey numbers, owned by the Company and 96,750 Sq. mtrs. (P.Y. 96,750 Sq. mtrs.) situated at village Doliv, 1,60,390 Sq. mtrs. (P.Y. 1,60,390 Sq. mtrs.) situated at village Khardi, 94,710 Sq. mtrs. (P.Y. 94,710 Sq. mtrs.) situated at Dahisar and 66,640 Sq. mtrs. (P.Y. 66,640 Sq. mtrs.) situated at Kasarali, comprising of various survey numbers, owned by Privilege Power and Infrastructure Private Limited, a wholly owned subsidiary of the Company.

The Company has proposed One time settlement to all its lender of its outstanding banking facilities and Company has received sanction for such proposal from some lenders. In accordance with such approval, payments will be made to banks and upon full & final payments, respective securities mortgaged will be released by the banks.

The above loan facility was repayable in 20 equated quarterly installments of INR. 1,977.45 lakhs each (P.Y. INR. 1,977.45 lakhs each)

b) Life Insurance Corporation of India :-

- i) Term loan is secured by registered mortgage of immovable properties situated at Village Doliv and Village Khardi admeasuring 2,88,940 Sq. mtrs. (P.Y. 2,88,940 Sq. mtrs.) comprising of various survey numbers and further secured by mortgage of first to nine floors except 3rd, 4th and 6th floors of commercial building area admeasuring 18,194.54 Sq. mtrs. (P.Y. 18,194.54 Sq. mtrs.) situated at HDIL Towers, Bandra (East), Mumbai. Rate of interest is 13% p.a. payable monthly.

ii) Securities of the Term loan from Life Insurance Corporation of India are shared on pari-passu basis along with the security for Non Convertible Debentures issued to Life Insurance Corporation of India.

iii) The loan facility of Rupee term loan was Repayable in 12 equal quarterly installments of Rs. 15,16,88,960 starting from September 2016 to 1st June 2019 (P.Y. Rs. 15,16,88,960)

iv) The loan facility funded interest term loan was Repayable in 12 equal quarterly installments of Rs. 1,71,25,639 starting from September 2016 to 1st June 2019 (P.Y. Rs. 1,71,25,639)

c) Yes Bank

Yes bank has assigned its loan to Suraksha Asset Reconstruction Company Private Limited. The terms of the loan remains the same i.e. the loan is secured by exclusive charge on Projects Metropolis, Galaxy and Majestic Towers on development rights.

The above mentioned loan facility was repayable as mentioned, 66.67% of total loan is repayable in 36th month and remaining 33.33% in 48th month

IV) All the above loans have been personally guaranteed by

- i) Erstwhile Executive Chairman of the Company
- ii) Erstwhile Vice Chairman and Managing Director of the Company



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

(Amount in Lakhs)

16. Particulars	31st March, 2021	31st March, 2020
Trade payables (Current)		
Other	39,386.78	39,430.86
	39,386.78	39,430.86

Notes:

- i) During previous financial year, Vendors' / Employees' liability amounting to INR 2,308.56 lakhs has been settled during the year by way of allotment of units in various projects of the Company. Out of this, vendors amounting to INR 1,997.51 lakhs were allotted units before the commencement of CIRP and the balance INR 311.05 lakhs were allotted units after the commencement of CIRP without explicit permission/knowledge of RP. The subject matter is being reported to NCLT.
- ii) During previous financial year, Expenses worth INR 1,812.67 lakhs have been accounted for but the same have not been credited to the respective vendors' individual accounts as they have been carried over from the previous years without making any attempt to clear them. They are reflected in the control accounts maintained by the Company under "Other Trade Payables".

Micro, Small and Medium Enterprises:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under said act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

The Company has send notices to all the vendors to provide the details as regards there Micro, Small and Medium Enterprise status. Till date no vendor has informed it's status as Micro, Small and Medium Enterprise.

(Amount in Lakhs)

17. Particulars	31st March, 2021	31st March, 2020
Other financial liabilities (Current)		
Current maturities of long-term debt		
Interest accrued -		
Due but not paid on loans	85,417.98	85,417.98
Unpaid matured debentures and interest accrued thereon		
Principal	33,958.27	33,958.27
Security deposit received	2,739.95	2,739.95
Others		
Due to employees	2,196.57	1,960.05
Others	335.20	335.20
	1,24,647.96	1,24,411.45

Notes:

- a) Dues to employees include salary payable amounting to INR 1,605.77 lakhs (P.Y. INR 1,605.77 lakhs) which contains an unreconciled difference of INR 136.00 lakhs (P.Y. INR 136.00 lakhs) between salary payable as per books and salary payable as per physical records maintained by the HR department of the Company. Documents related to such difference could not be traced and hence is shown as it is.
- b) Due to lack of appropriate information, estimates relating to Outstanding Expenses of INR 190.07 lakhs (P.Y. INR 190.07 lakhs), as appearing at the beginning of the financial year, have not been revised to reflect the true and fair position as at the end of the financial year. The same has been carried forward from the previous years.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

(Amount in Lakhs)

18. Particulars	31st March, 2021	31st March, 2020
Other current liabilities		
Revenue received in advance	1,91,985.33	1,92,167.83
Statutory dues	2,286.49	1,684.23
Other Current Liabilities	323.78	503.75
	1,94,595.60	1,94,355.81
Notes:		
i) During previous financial year, Revenue received in advance includes INR 262.47 lakhs which the Company has received in advance from customers towards Rental income since 2010-11. However, the same has not been appropriated towards rental income		
ii) No information could be obtained regarding the following liabilities:		
a) An amount of INR 693.76 lakhs payable towards Service Tax and VAT including interest relating to earlier years.		
b) Dues towards Tax Deducted at Source (TDS), Tax Collected at Source (TCS), Provident Fund, ESIC, Profession Tax and Goods & Services Tax (GST) totalling to INR 925.99 lakhs.		
Consequently, provision for interest on such liabilities could not be made during the year		
iii) The opening balances as on 1st April 2019, in the books show outstanding balance in suspense account amounting to INR 1,771.17 lakhs. The said figure is appearing in the books for last several years for which no supportings/explanation is available. The same is written back at the end of the year.		

(Amount in Lakhs)

19. Particulars	31st March, 2021	31st March, 2020
Provisions (Current)		
Gratuity	742.66	742.66
Leave Encashment	201.84	201.84
	944.50	944.50
Note:		
i) With respect to Provisions related to Gratuity and Leave encashment, the Company has not been able to obtain an actuarial valuation as required under the provisions of Ind AS 19. In the absence of the actuarial valuation, provisions have been made based on the lines similar of the last year.		
Further, due to non availability of information, disclosure required as per the provisions of IndAS 19 is not given.		

(Amount in Lakhs)

20. Particulars	31st March, 2021	31st March, 2020
Current Tax Liabilities (Net)		
Provision for taxation	17,417.01	17,417.01
Less : Tax Paid	2,818.67	2,810.12
	14,598.35	14,606.90
Notes:		
i) Relevant information relating to the Income Tax liabilities and assessments could not be obtained. Owing to the unavailability of information and documents, estimates relating to the said liabilities have not been revised.		
ii) Notices for Demand have been received from the Income Tax Department and totalling to INR 4,351.00 lakhs (P.Y. INR 4,351.00 lakhs). However, no supporting documents or information could be obtained.		



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

21. Particulars	(Amount in Lakhs)	
	31st March, 2021	31st March, 2020
Deferred Tax Assets (Net)		
Liabilities:		
Related to fixed Assets	-	(2,648.00)
Other	-	-
Assets:		
Related to fixed Assets	2,616.14	-
Disallowed Expenses	-	3,560.77
Provision for Gratuity	-	-
Provision for encashment of leave	-	-
	2,616.14	912.77

Note:

- i) The deferred tax asset of INR 2616.14 lakhs (PY 912.77 lakhs) is not recognised since there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes to Standalone Financial Statements

	(INR in Lakhs)	
22. Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Revenue From Operations		
<u>Sale of Product</u>		
Sale of commercial and residential units	-	32,729.81
Sale of development rights /FSI/Land /TDR	-	7,954.41
<u>Other operating income</u>		
Lease rental	85.38	735.01
Others	-	-
	85.38	41,419.23

Note:

- i) Out of above lease rental of INR 85.38 lakhs pertains to Lease rental (Immovable Property) made during the year ended 31st March, 2021.
- ii) As per the Accounting Policy mentioned in the audited financials for F.Y. 2018-2019, the Company stated that it follows "Project Completion Method" which is a deviation from the requirement of Ind AS 18. Ind AS 18 prescribes the "percentage of completion method" for recognition of revenue. However, in absence of complete information about the on-going projects of the Company and the total estimated costs, the same could not be followed.

22.1 Assets given on lease :

- a) Hitherto company adopted the policy of recognizing sale of flats on completion of project and execution of agreement. However, during the previous financial year, the company made arrangements by entering into a tri-partie agreement with each of the two contractors as follows:

1) Project: Premier Exotica C, D, E wings

Contractor: JVP Construction

Parties to Agreement: JVP Construction, Home Buyers' Association of C, D, E wings

2) Project: Galaxy Apartments C, D wings

Contractor: Rashmi Construction

Parties to Agreement: Rashmi Constructions, Home Buyers' Association of C, D wings

By virtue of the said agreements the liability of balance construction of the projects is taken over by the respective contractor. Corresponding balance consideration receivable from Home Buyers is agreed to be paid through their associations to the contractors. As such, the liability of the company for balance construction has been transferred to the contractors

In Previous Financial Year Amount of INR 20,661.41 lakhs received from Home Buyers of Premier Exotica project and INR 8,714.94 lakhs from Home Buyers of Galaxy Apartments project from the date of booking to the date of finalizing these arrangements was recorded as advance in the books of accounts which has now been recognized as sales in the books of accounts of the company

b) General description of leasing arrangement

- i) Leased assets : Leasing of commercial premises.
- ii) Future lease rentals are determined on the basis of agreed terms.
- iii) At the expiry of the lease term, the Company agrees to record the new terms and conditions of their agreement in relation to lease of the Premises.

	(INR in Lakhs)	
23. Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Other income		
Interest received	-	507.46
Maintenance Income	-	511.55
Profit on sale of fixed assets	0.15	1.10
Miscellaneous income	128.16	20.31
	128.31	1,040.42

Note:

- i) During previous financial year, out of above Interest Received of INR 507.46 lakhs, INR 41.88 lakhs pertains to Interest Received Ind AS adjustment made in during the financial year, which is not an income but merely an Ind AS adjustment.



(INR in Lakhs)		
24. Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Cost of materials consumed		
Cost of material consumed		38,182.03
Other Direct Cost		5,362.83
		43,544.86

Note:

- i) Due to non-availability of complete information, cost of material consumed is not calculated from changes in work in progress. The said figure for previous financial year, is arrived at based on the figures appearing in the books of accounts.

(INR in Lakhs)		
25. Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Changes in inventories of finished goods and work-in-progress		
Opening finished goods	18,630.17	22,695.69
Opening work-in-progress	10,99,047.13	11,80,612.10
Adjustments during the year		(42,407.13)
	11,17,677.30	11,60,900.66
Closing finished goods	18,630.17	18,630.17
Closing work-in-progress	10,99,047.13	10,99,047.13
	11,17,677.30	11,17,677.30
		43,223.36

(INR in Lakhs)		
26. Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Employee benefits expense		
Salaries and incentives	386.07	1,544.78
Contributions to - Provident and other funds	31.34	104.80
Staff welfare expenses	-	34.00
Bonus	36.14	-
Gratuity Expenses	-	159.38
Leave Encashment Expenses	-	20.42
	453.56	1,863.37

As required under IND AS 19 "Employee benefits", the company has not conducted actuarial valuation and hence the disclosure under IND AS 19 is NIL. Refer Note No. 19

(INR in Lakhs)		
27. Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Finance costs		
Interest		
Project specific interest expenses	-	11,094.58
		11,094.58

Note:

- i) During the previous financial year, out of above Project specific interest expenses of INR 11,094.58 lakhs, INR 25.33 lakhs pertains to Finance Expenses Ind AS adjustment, which is not interest expense but merely an Ind AS adjustment.



28. Particulars	(INR in Lakhs)	
	Year Ended 31st March 2021	Year Ended 31st March 2020
Other expenses		
Advertisement and sales promotion expenses	0.67	11.68
Electricity charges	40.16	114.97
Insurance charges	0.48	0.72
Bank Charges	0.06	1.58
CIRP Expenses	28.07	24.43
Loss on sale of fixed assets	346.47	280.44
Membership and subscription	6.38	-
Printing and stationery	0.48	1.41
Prior Period Expenses	1.72	32.60
Security charges	1.04	-
Professional fees	66.08	106.90
Rates and taxes	177.87	259.05
Repairs and maintenance to buildings	-	83.76
Repairs and maintenance to other assets	-	0.44
Stamping and registration	15.51	2.44
Staff Welfare	13.88	58.49
Communication expenses	2.78	-
Postages and telegram expenses	-	17.55
Travelling and conveyance expenses	0.04	7.86
Remuneration to auditors	3.96	124.43
Directors remuneration, commission and sitting fees	-	30.00
Filing fees paid to the Registrar of Companies	-	3.80
Total	0.01	0.51
Above expenses includes Project related expenses	705.64	1,163.07

28.1 Remuneration to Auditors

	(INR in Lakhs)	
i) Statutory audit fees	22.50	20.00
ii) Tax audit fees	-	4.00
iii) Taxation matters	-	1.50
iv) Other services	-	4.00
	22.50	29.50

28.2 Managerial Remuneration

	(INR in Lakhs)	
i) Sitting fees	-	3.80
	-	3.80

29. Particulars

	(INR in Lakhs)	
	Year Ended 31st March 2021	Year Ended 31st March 2020
Exceptional Items		
i) Provision for Doubtful Debt	-	1,78,051.08
ii) Provision for WIP Stock	-	8,33,933.26
iii) Provision for Advance for Land Purchase	-	2,79,455.11
iv) Provision for Advance for Suppliers	-	13,398.04
v) Provision for Loan to Subsidiaries	-	5,585.57
vi) Provision for Investment in Subsidiaries	-	29,948.75
	-	13,40,371.81



30. Earnings Per Equity Share Has Been Computed As Under:			
(i)	Net profit after tax as per Statement of Profit and Loss		
(ii)	Number of fully paid equity shares used in computing earnings per equity share		
	Basic		
	Diluted		
(iii)	Basic Earnings per share		
(iv)	Diluted Earnings per share		
(v)	Nominal value per equity share is ` 10/- fully paid		
		-121,839,018	-139,673,052,989
		472,708,893	470,670,653
		472,708,893	470,670,653
		-0.2577	-296.75
		-0.2577	-296.75

31. Contingent Liabilities not provided for To be read with Note 15(i)	NIL*
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32. RELATED PARTY DISCLOSURE

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

Wholly owned subsidiary

Privilege Power and Infrastructure Private Limited
Blue Star Realtors Private Limited (Upto 30.09.2018)
Guruashish Construction Private Limited
Mazda Estates Private Limited

Other subsidiary

BKC Developers Private Limited
Lashkaria Construction Private Limited

Enterprise significantly influenced by key management personnel

Privilege Airways Private Limited
Privilege Health Care Services Private Limited
Privilege Industries Limited

Joint Venture

Fine Developers
Heritage Housing Development Corporation

Key management personnel

Name

Shri Rakesh Kumar Wadhawan
Shri Sarang Wadhawan
Darshan Majmudar

Designation

Executive Chairman
Vice Chairman & Managing Director
Chief Financial Officer & Company Secretary



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

Notes Forming Part of the Standalone Financial Statements

B. Transactions with related party

Nature of transaction	31st March, 2021					31st March, 2020				
	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Managerial Personnel	Total	Subsidiary	Enterprises influenced by Key Management Personnel	Joint Ventures/ Associates	Key Managerial Personnel	Total
Payment to Key managerial personnel	-	-	-	-	-	-	-	-	3.80	-
Expenses incurred	-	-	-	-	-	-	-	-	-	-
Net Payment Received/(paid)	-	-	-	-	-	-	2,591.69	-	-	-
Outstanding as at year end- Due from	-	-	-	-	-	-	-	-	-	-
Outstanding as at year end- Due to	-	-	-	-	-	-	-	-	-	-

C. Disclosure in respect of material transactions with related parties during the year (included in 'B' above)

Particulars	Percentage of Holding	31st March, 2020	
		31st March, 2021	31st March, 2020
Expenses			
HDIL Budget Home Private Limited			
Payment to Key managerial personnel	Total	-	2,591.69
Mr. Lalit Mohan Mehta		-	2,591.69
Mr. Raj Kumar Aggarwal		-	-
Mrs. Sandhya Baliga		-	1.60
Mr. Hazari Lal		-	1.20
		-	0.60
		-	0.40
	Total	-	3.80

D. Disclosure in respect of closing balance with related parties as at the end of financial year *

Particulars	31st March, 2020	
	31st March, 2021	31st March, 2020
Investment in Subsidiary Company		
Privilege Power and Infrastructure Private Limited	36,145.79	36,145.79
BKC Developers Private Limited	9,297.20	9,297.20
Lashkaria Construction Private Limited	690.00	690.00
Guruashish Construction Private Limited	29,948.75	29,948.75
Mazda Estates Private Limited	2,746.35	2,746.35
Investment in Joint Venture		
Fine Developers	1.58	1.58
Heritage Housing Development Corporation	100.00	100.00
Advance to Other Group Companies		
Privilege Power and Infrastructure Private Limited	-	-
Guruashish Construction Private Limited	3.60	3.60
Privilege Industries Limited	10.45	10.45
Unsecured Loan (Group Company)	(982.00)	(982.00)
Privilege Power and Infrastructure Private Limited	0.93	0.93
Advance to Subsidiaries		
Privilege Power and Infrastructure Private Limited	5.61	5.61
Lashkaria Construction Private Limited	5,578.62	5,578.62
Advance for Land		
Lashkaria Construction Private Limited	88.00	88.00
Trade Receivables		
Privilege Industries Limited	4.15	2.55
Privilege Health Care Services Private Limited	0.22	0.22
Shri Sarang Wadhawan	2.00	2.00



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

Notes Forming Part of the Standalone Financial Statements

Trade Payables		
Guruashish Construction Private Limited	(14.57)	(14.57)
Lashkaria Construction Private Limited	(2.59)	(2.59)
Privilege Airways Private Limited	(112.29)	(112.29)
Mr. Lalit Mohan Mehta	(29.76)	(29.76)
Mr. Raj Kumar Aggarwal	1.91	1.91
Mrs. Sandhya Baliga	(29.96)	(29.96)
Mr. Hazari Lal	(29.59)	(29.59)
Revenue Received In Advance		
Privilege Industries Limited	(57.25)	(57.25)
Privilege Health Care Services Private Limited	(0.20)	(0.20)
Security deposit received		
Privilege Health Care Services Private Limited	(2.00)	(2.00)
Due to Employees		
Darshan Majmudar	(0.30)	(0.30)
* Positive figures indicate assets, Negative figures indicate liabilities		

Note:

i) Related party transactions are disclosed only to the extent information is made available to the RP.

33. FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class, financial liability and equity instruments are disclosed in note no 1.1 (r) to the financial statements.

A) Financial Assets and Liabilities

The Carrying values of Financial Assets and Liabilities have been given under :

31st March, 2021	Fair value through profit and loss	Fair value through Other Comprehensive Income	Amortised Cost	Total
(INR in lakhs)				
Financial Assets				
Non Current				
Investments				
Investment in Equity instruments	-	-	48,936.24	48,936.24
Other Non Current Financial Assets			818.31	818.31
Current				
Investments				
Trade receivables	-	-	101.58	101.58
Cash and cash equivalents	-	-	40,738.89	40,738.89
Bank balances	-	-	67.62	67.62
Others	-	-	462.12	462.12
Financial Liabilities			1,095.21	1,095.21
Current				
Borrowings				
Trade payables	-	-	2,48,109.18	2,48,109.18
Other financial liabilities	-	-	39,386.78	39,386.78
	-	-	1,24,647.96	1,24,647.96



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
Notes Forming Part of the Standalone Financial Statements

31st March, 2020

(INR in lakhs)

	Fair value through profit and loss	Fair value through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Non Current				
Investments				
Investment in Equity instruments	-	-	48,936.24	48,936.24
Other Non Current Financial Assets			818.31	818.31
Current				
Investments			-	
Trade receivables	-	-	101.58	101.58
Cash and cash equivalents	-	-	40,857.36	40,857.36
Bank balances	-	-	67.95	67.95
Others	-	-	453.76	453.76
Financial Liabilities			1,095.48	1,095.48
Current				
Borrowings			-	
Trade payables	-	-	2,47,711.72	2,47,711.72
Other financial liabilities	-	-	39,430.86	39,430.86
	-	-	1,24,411.45	1,24,411.45

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2021 and 31st March, 2020 approximate the Fair Value because of their short term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant each of year presented.

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Company has fair valued the transaction of financial guarantee (under Other Financial Liabilities) on the basis of internal comparable of a similar transaction with an unrelated party. The fair value so determined will therefore be classified under Level 2. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair valued measurements and the cost represents estimate of fair valued within that range.

C) Financial risk management

i) Risk management framework

- a) The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have established the risk management committee, which is responsible for developing and monitoring the risk management policies. The Company reports regularly to the Board of Directors on its activities.
- b) The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which the employees understand their roles and obligations.
- c) The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

a) 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, and arises principally from the Company's receivables from customers, investments in debt securities, loans given to related parties and project deposits.

The carrying amount of financial assets represents the maximum credit exposure.

Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's Credit risk in this respect.

The Company's credit risk with regard to trade receivables has a high degree of risk diversification, due to the large number of projects of vary in sizes and types with numerous different customer categories in a large number of geographical markets.

Based on prior experience and an assessment of the current economic environment, management believes there is no credit risk provision required. Also the Company does not have any significant concentration of credit risk.

The ageing of trade receivables is as follows:



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED
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Particulars	(INR in lakhs)	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Trade Receivables (Unsecured)		
Over six months	40,738.89	40,857.36
Less than six months	-	-
	40,738.89	40,857.36

The amounts reflected in the table above are not impaired as on the reporting date.

*** Investment in Debt securities, Loans to Related Parties and Deposits**

The Company has investments in non-convertible preference shares, loans to related parties and project deposits. Based on prior experience and assessments performed by the management such financial Assets are not impaired as on the reporting date.

*** Cash and Bank Balances**

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

Exposure to Liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2021

	Due within 12 months	Due in 1 to 3 year	More than 3 years
Financial Liabilities			
Borrowings	2,48,109.18	-	-
Trade payables	39,386.78	-	-
Other financial liabilities	1,24,647.96	-	-

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2020

	Due within 12 months	Due in 1 to 3 year	More than 3 years
Financial Liabilities			
Borrowings	2,47,711.72		
Trade payables	39,430.86		
Other financial liabilities	1,24,411.45		

Note:

The above mentioned previous years' figures are taken from the last year's published financials statement available on public platform

c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

• Currency risk

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

• Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management is as follows :

Particulars	(INR in lakhs)	
	Year Ended 31st March 2021	Year Ended 31st March 2020
Financial Assets		
Fixed rate instruments		
- Fixed Deposit	120.31	120.31
- Guarantee Obligation Commission	777.08	777.08
Financial Liabilities		
Fixed rate instruments		
Borrowing - Non Convertible Debenture	-	-
Variable rate instruments		
Borrowing		
- From Schedule Bank	1,54,368.18	1,53,970.72
- From Financial institutions	-	-
	93,741.00	93,741.00

Note:

The above mentioned corresponding previous years' figures are taken from the last year's published financials statement available on public platform

Fair value sensitivity analysis for fixed rate instruments

Fixed rate financial assets / liabilities are carried out at amortised cost. Therefore they are not subject to interest rate risk since, neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.



HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

Notes Forming Part of the Standalone Financial Statements

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. Given that the Company capitalises interest to the cost of inventory to the extent permissible, the amounts indicated below may have an impact on reported profits over the life cycle of projects to which such interest is capitalised. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposure outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	100 BP Increase
31st March, 2021 Financial Liabilities Variable rate instruments Borrowing	(825.05)
31st March, 2020 Financial Liabilities Variable rate instruments Borrowing	(825.05)

34. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

35. POST REPORTING EVENTS:

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

36. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31st March, 2021 were approved on 31st January 2022.

37. The management and authorities have the power to amend the Financial Statements in accordance with Section 130 and 131 of The Companies Act, 2013.

38. The figures for the corresponding previous year are as per the published account and have been regrouped / reclassified wherever necessary.

39. Various investigating agencies viz. Enforcement Directorate (ED), Economic Offences Wing (EOW), Serious Fraud Investigation Office (SFIO) and Central Bureau of Investigation (CBI) have started investigation against the Company and its Promoters for various alleged offences. The outcome of such investigations and its effect on the financial statements cannot be ascertained.

