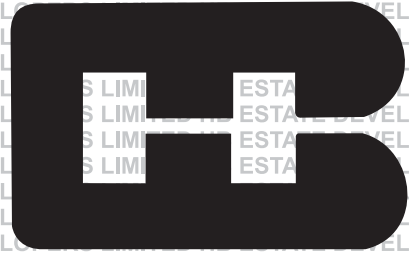


19th
Annual Report
2012 - 13



HB ESTATE DEVELOPERS LIMITED



Company's Hotel Project- "**VIVANTA BY TAJ - GURGAON, NCR**" located at Plot No. 1, Sector 44, Gurgaon, Haryana



BOARD OF DIRECTORS

Mr. Lalit Bhasin *Chairman*
Mrs. Asha Mehra
Mr. Anil Goyal
Mr. J. M. L. Suri
Mr. Rajesh Jain

AUDIT COMMITTEE

Mrs. Asha Mehra *Chairperson*
Mr. J. M. L. Suri
Mr. Rajesh Jain

CHIEF FINANCIAL OFFICER (CFO)

Mr. Praveen Gupta

COMPANY SECRETARY

Mrs. Arpita B. Malhotra

STATUTORY AUDITORS

M/s P. Bholusaria & Co.
Chartered Accountants,
26/11, Shakti Nagar,
Delhi - 110 007

REGISTERED OFFICE

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurgaon - 122 001
Ph : 0124-4675500, Fax : 0124-4370985
E-mail : corporate@hbestate.com

WEBSITE

www.hbestate.com

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.
B-106, Sector - 2, Noida - 201 301
Ph : 0120-4015880, Fax : 0120-2444346
E-mail : shares@rcmcdelhi.com

CONTENTS

| | |
|--|----|
| Notice | 2 |
| Directors' Report | 3 |
| Management Discussion and Analysis | 4 |
| Report on Corporate Governance | 5 |
| Auditors' Report | 8 |
| Balance Sheet | 10 |
| Statement of Profit & Loss | 10 |
| Cash Flow Statement | 11 |
| Notes on Accounts | 12 |



NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Company will be held as follows:

Day : Thursday
 Date : 21st November 2013
 Time : 11.00 A. M.
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector-14,
 Gurgaon-122 001, Haryana.

to transact the following business:

AS ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Audited Profit & Loss Account for the year ended on that date, together with the Reports of Directors' and Auditors' thereon.
- To declare dividend.
- To appoint a Director in place of Mr. Lalit Bhasin, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. J.M.L. Suri, who retires by rotation and being eligible, offers himself for re-appointment.
- To re-appoint Auditors and to fix their remuneration.

**BY ORDER OF THE BOARD
 For HB ESTATE DEVELOPERS LTD.**

Place : Gurgaon
 Date : 30th September 2013

**ARPITA B. MALHOTRA
 COMPANY SECRETARY**

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 16th November 2013 to 21st November 2013 (both days inclusive).
- Dividend, if declared at the Annual General Meeting, will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company after giving effect to all valid requests for transfer of shares lodged with the Company on or before the close of business hours on 15th November 2013 or to their mandates. The dividend in respect of Shares held in dematerialised form would be payable to the beneficial owners of Shares recorded with the depositories as of the end of 15th November 2013 as per the details furnished by the Depositories for the purpose.
- Securities and Exchange Board of India (SEBI) has made mandatory for all Companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS), wherever ECS and Bank Details are available. In the absence of ECS facility being made available for any reason, the Companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors. Accordingly, shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, the account number to the Company's Registrar and Share Transfer Agent, M/s RCMC Share Registry Private Limited. In case the holdings are in dematerialised form, the said details should

be conveyed to their Depository Participant. Shareholders who wish to avail the ECS facility offered by the Company should in addition to the aforesaid bank details also furnish a photocopy of the cheque leaf to Company's Registrar and Share Transfer Agent in case of holding in physical mode and to the Depository Participant in case of Dematerialised holding.

The bank particulars of the Shareholders recorded with the Depository Participant as of the book closure date, the data of which will be received through Depositories will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For safety and in the interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants. The bank details (mandate) for shares held in physical form will not be applicable/applied for shares held in dematerialised form and vice versa.

- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:**
 - notify any change in their address to the Company including PINCODE or to the Registrar and Share Transfer Agent of the company namely :
 RCMC Share Registry Pvt. Ltd.
 B-106, Sector-2, Noida - 201 301
 Phones: 0120-4015880
 Fax: 0120-2444346
 E-mail: shares@rcmcdelhi.com
 Members whose shareholding is in the dematerialised mode are requested to direct change of address notifications to their respective Depository Participant.
 - bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.
- The Company is implementing the "Green Initiative" as per Circular Nos. 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered email address for serving notices/ documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited Financial Statements, Directors' Report, Auditors' Report etc. will also be displayed on the website www.hbestate.com of the Company and the other requirements of the aforesaid MCA circular will be duly complied with.**
Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participant.
Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in 7(a) above quoting their folio number(s).
- Details of Directors seeking appointment / re-appointment at the ensuing 19th Annual General Meeting (Pursuant to clause 49 of the Listing Agreement) are as under:

PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING (19th) AGM (Refer Note No. 3 and 4 of the Notice for AGM)

| Name of the Director | Mr. Lalit Bhasin | Mr. J.M.L Suri |
|--|--|---|
| Date of Birth | 14 th August 1968 | 27 th April 1938 |
| Date of Appointment | 20 th September 1994 | 20 th September 1994 |
| Expertise in specific functional areas | Entrepreneur having more than 20 years of rich experience in the field of Stock Market operations, Strategic Investment and management. | Administration |
| Qualifications | Bachelor of Commerce | Engineer |
| List of Directorships in other Public Limited Companies (As on 31 st March 2013) | 1. HB Stockholdings Limited 2. HB Portfolio Limited 3. RRB Securities Limited 4. HB Securities Limited 5. HB Leasing & Finance Company Limited 6. Bhasin Share & Stock Brokers Limited 7. AHL Hotels Limited 8. Raja Ram Bhasin Share & Stock Brokers Limited 9. CHL (South) Hotels Limited 10. Mansingh Hotels and Resorts Limited 11. Taurus Asset Management Company Limited 12. RRB Master Securities Delhi Limited 13. Har Sai Investments Limited 14. CHL Limited | 1. HB Stockholdings Limited 2. HB Portfolio Limited 3. RRB Securities Limited 4. Mount Finance Limited 5. HB Corporate Services Limited 6. RRB Master Holdings Limited 7. HB Insurance Advisors Limited 8. Bhasin Investments Limited 9. HB Telecommunications Limited 10. HB Prima Capital Limited 11. AHL Hotels Limited 12. Raja Ram Bhasin Share & Stock Brokers Limited 13. Bhasin Share & Stock Brokers Limited |
| Membership of Committees in other Public Limited Companies (As on 31 st March 2013) | <u>Audit Committee</u> 1. HB Leasing & Finance Company Limited 2. Mansingh Hotels and Resorts Limited 3. CHL Limited <u>Shareholders/Investors Grievance Committee</u> 1. HB Leasing & Finance Company Limited 2. RRB Securities Limited 3. CHL Limited | <u>Audit Committee</u> 1. HB Portfolio Limited 2. RRB Securities Limited <u>Shareholders/Investors Grievance Committee</u> 1. HB Portfolio Limited 2. HB Stockholdings Limited |
| No. of Shares held | 7414473 | 500 |

**BY ORDER OF THE BOARD
 For HB ESTATE DEVELOPERS LTD.**

**ARPITA B. MALHOTRA
 COMPANY SECRETARY**

Place : Gurgaon
 Date : 30th September 2013



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 19th Annual Report of the Company, together with the Audited Statements of Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS:

The financial results of the Company during the year under review are summarized hereunder: (Amount in ₹ lakhs)

| PARTICULARS | Year Ended | Year Ended |
|--------------------------------|-----------------|------------|
| | 31.03.2013 | 31.03.2012 |
| Total Turnover | 1175.95 | 1827.96 |
| Gross Profit/ (Loss) | 568.11 | 1288.09 |
| Add : Exceptional Items | - | - |
| Less : | | |
| (a) Depreciation | 95.20 | 15.18 |
| (b) Finance Cost | 618.22 | 395.58 |
| (c) Provision for Income Tax | 535.62 | 168.33 |
| Net Profit/(Loss) | (680.93) | 708.99 |
| Appropriations : | | |
| General Reserve | 0.00 | 100.00 |
| Proposed Dividend | 62.43 | 120.42 |
| Tax on Dividend | 10.61 | 19.53 |
| Accumulated Profits | 1429.43 | 2183.40 |

DIVIDEND

Although your Company has incurred a loss of ₹ 680.93 lakhs during the accounting year 2012-2013, it has distributable profits after providing depreciation and other provisions. Therefore, your Directors are pleased to recommend Dividend @ 5% on Equity Share (i.e. ₹ 0.50 per Equity Share of face value ₹ 10/- each) (previous year ₹ 1.00 per Equity Share) and @ ₹ 9% per annum on Redeemable Non-Convertible Non-Cumulative Preference Share (i.e. ₹ 0.073 per Redeemable Non-Convertible Non-Cumulative Preference Share of face value ₹ 100/- each) for the year ended 31st March 2013.

PERFORMANCE REVIEW

The total income for the year under review was ₹ 1175.95 lakhs as against ₹ 1827.96 lakhs in the previous year. The said reduction in income was due to global slowdown which has affected the real estate sector. Many cities including NCR region have observed fall in prices in the real estate sector.

Your directors are pleased to inform you that during the year under review, the Company's hotel project ("VIVANTA BY TAJ - GURGAON, NCR") located at Plot No. 1, Sector 44, Gurgaon, Haryana has commenced its commercial operations w.e.f. 8th March 2013.

During the year under review, the entire business of "Parsvnath Developers (AOP)", an Association of Persons formed in the year 2005 between the Company and Parsvnath Developers Limited for undertaking the business of real estate development, has been transferred as a going concern to M/s Gazala Promoters and Developers Private Limited and the AOP has been wound up. The Company and its nominees acquired 49% Equity Shares in M/s Gazala Promoters and Developers Private Limited and the remaining 51% was acquired by M/s Parsvnath Developers Limited and its nominees. Further, name of Gazala Promoters & Developers Private Limited has been changed to "Parsvnath HB Projects Private Limited" with effect from 9th May 2013.

The Industry Trends and outlook are summed up in the Management Discussion and Analysis which forms part of this report.

MAJOR EVENTS OF THE COMPANY

Change in Capital Structure

With your approval given at the Extra-ordinary General Meeting held on 20th March 2013, the Authorized Share Capital of the Company was increased and re-classified from ₹ 30,00,00,000/- (Rupees Thirty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- each and 1,00,00,000 (One Crore) Preference Shares of ₹ 10/- each to ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- each and 30,00,000 (Thirty Lakhs) Preference Shares of ₹ 100/- each.

Allotment of Redeemable Non-Cumulative Non-Convertible Preference Shares

Pursuant to your approval given at the Extra-ordinary General Meeting of the Company held on 20th March 2013, the Board on 29th March 2013 allotted 30,00,000 (Thirty Lakhs) - 9% Redeemable Non-Cumulative Non-Convertible Preference Shares of face value of ₹ 100/- each at par aggregating to ₹ 30,00,00,000/- (Rupees Thirty Crore Only) which were issued on private placement basis.

Scheme of Amalgamation

The Board of Directors of your Company at its meeting held on 29th March 2013, subject to such approvals, orders and permissions as may be required, has approved the Scheme of Amalgamation through Draft Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956, wherein Pisces Portfolios Private Limited would be merged with the Company w.e.f 1st April 2012.

In terms of requirements of SEBI circular dated 4th February 2013 read with Circular dated 21st May 2013, Company has made an application for obtaining approval of Bombay Stock Exchange and Securities Exchange Board of India on 30th April 2013 under Clause 24(f) of the Listing Agreement.

Further, the Scheme along with required information/documents as envisaged in aforesaid SEBI circulars are available on Company's website www.hbestate.com and also on the official website of BSE.

Extension of time limit for holding the Annual General Meeting

The Registrar of Companies, NCT of Delhi and Haryana, vide letter dated 18th September 2013, has granted extension of time up to 30th November 2013 for holding the Annual General Meeting as per Section 166 (1) of the Companies Act, 1956.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

During the year under review, foreign exchange earnings were ₹ 31.15 lakhs. The foreign exchange outgo during the said period was ₹ 9.38 lakhs on account of travelling; ₹ 35.87 lakhs towards payment of Professional and Technical fees and ₹ 2.04 lakhs towards advertisement and other expenses.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable, as there are no employees who were drawing or in receipt of remuneration of prescribed amount during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013, and of the profit of the Company for the period 1st April 2012 to 31st March 2013;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared 'on a going concern basis'.

CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed by the Listing Agreement with the Stock Exchanges have been complied with.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors confirming compliances of Corporate Governance norms, in terms of Clause 49 of the Listing Agreement, is annexed to the Annual Report.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's Equity shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai. The listing fee for the year under review has been paid to BSE.

AUDITORS' REPORT

Observations of the Auditors have been explained, wherever necessary, by appropriate notes to accounts.

AUDITORS

M/s P. Bholusaria & Co., Chartered Accountants, the Statutory Auditors, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS

Mr. Lalit Bhasin and Mr. J.M.L. Suri, Directors being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The brief resume and other details of the above directors, as stipulated under Clause 49(IV)(G) of the Listing Agreement, are provided in the Notice for convening the Annual General Meeting.

During the year under review, Mrs. Arpita B. Malhotra was appointed as Company Secretary and Compliance Officer of the Company w.e.f 12th July 2012.

ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge the co-operation, assistance and support extended by the Company's associates, Bankers. Your Directors also wish to thank all the employees at all levels of the organization for their contribution and the trust and confidence reposed by the shareholders in the management of the company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Gurgaon
Date : 30th September 2013

LALIT BHASIN
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

1. Operating Results

The total income earned by the company during the year under review (Sales and Rental Income) was ₹ 1175.95 lakhs (₹ 1827.96 lakhs in the previous year). During the year under review, the total expenses amounted to ₹ 1321.26 lakhs (₹ 950.63 lakhs in the previous year).

2. Ongoing Projects

The company had entered into a long-term management agreement with The Indian Hotels Company Ltd. (IHCL) for operating company's Hotel ("VIVANTA BY TAJ - GURGAON, NCR") located at Plot No. 1, Sector 44, Gurgaon, Haryana. As per the agreement, the hotel is being operated in the Five Star category under the TAJ portfolio of hotels. Your directors are pleased to inform you that during the year under review, the said hotel project ("VIVANTA BY TAJ - GURGAON, NCR") has commenced its commercial operations w.e.f. 8th March 2013. Key features of the Hotel are as under :

- i. 208 Guest Rooms
- ii. Banquet Hall serving 600 people
- iii. One Specialty Restaurant in addition to Multi Cuisine All Day Dining
- iv. Bar with Alfresco Garden
- v. Spa with swimming pool
- vi. Height of the Tower Block is 60 meters
- vii. Floating Glass Façade introduced for the first time in the Hotel Industry in India

3. Industry Trends and Business Analysis

Economic activities in India in 2012-13 remained weak due to both domestic and global factors. Estimates from the Central Statistical Organisation (CSO), Government of India (GoI) suggest that real GDP growth reduced from 6.2% in 2011-12 to 5% in 2012-13. This is the lowest growth recorded in the last decade and far below the 8%-9% annual growth rates envisaged for the economy in the long term plans of the GoI. What is even more worrisome is the fact that over the last 10 quarters, the situation has gotten progressively worse.

Reflecting the trends of the overall economy, the year was not favourable for the real estate sector. It was received with a cautious sentiment amongst end-users and investors alike in the first half of the year, albeit with some momentum that began to build up in the third quarter with higher transactions in the commercial office sector while the residential sector saw more projects being launched, and the retail sector witnessed the introduction of 51% FDI in multi-brand retail. Developers found it difficult to raise debt from banks in India due to the tightening of the credit policy. Compounding their troubles, their cash flows were adversely affected due to slow off-takes on one hand and increase in input costs on the other.

In terms of hospitality industry performance in India, data from STR reports indicate that the overall rates, occupancies and RevPAR (revenue per available room) have seen a decline in 2012, owing to the impact of increased supply in the marketplace and this trend is expected to continue for the next few years, given the gestation period for new hotel supply.

4. Opportunities and Threats

Opportunities in all segments of real estate development are driven by the macroeconomic forces on account of the unique current situation where 54% of the population consists of people less than 24 years of age, that is people who are young and productive. The benefits to the economy, commonly termed as the demographic dividend is benefitting the real estate sector. The other macroeconomic force is the rapid rate of urbanization on account of migration of population to cities, the growth centres. The disposable income has been steadily increasing and there is easier availability of consumer finance. All the aforesaid aspects result in opportunities in all segments of real estate.

The hotel industry in specific, has its own set of constraints which include managing manpower, compensation issues, high attrition rate, regular employee training in order to maintain service standards, heavy costs for periodic renovation and repositioning of properties. Any adverse change in the general economic scenario and the demand supply situation, unhealthy competition and seasonal nature of hotel industry may affect the prospects of the hotel Industry. Escalating cost of land in metros has been a major area of concern in addition to other threats and risk factors like limited availability of land and power, water shortage, procurement of multiple clearances / approvals required for hotel projects, rising interest cost, long gestation period, poor infrastructure facilities etc.

Besides, adverse advisories, natural calamities and competition from other tourist destinations offering attractive packages etc. are few other risk factors which may affect the hotel industry.

5. Future Prospects and Outlook

The change in demographics with rapid urbanization and the rise in the levels of income may keep up the demand for quality real estate space; however, the higher inflation coupled with hardening of interest rate may dent the demand. As such the outlook for the real estate industry in the long term remains positive though in the short term there may be stagnation/slow down in growth.

However, inspite of the problems the hospitality industry is facing today, the general outlook is very encouraging. The saving grace for the hotel industry appears to be domestic, business travelers, and domestic tourists and social functions. In trouble times, this is going to save the hotel industry from the state of collapse. There is a very good chance of the Indian Economy's revival and be in a position to achieve a decent rise in GDP growth. This will certainly boost the economy and hotel industry.

6. Risks and concerns

The real estate business is impacted by, interalia, regulatory and monetary policies and investment outlook. The Company's operations and its ability for future development

has to be viewed in light of the above and many other resultant factors such as changes in government regulations, availability of real estate financing, uncertainty on monetary and fiscal policy actions, approval processes, environmental laws, actions of government land authorities and legal proceedings.

The undue increase in cost of raw materials such as cement, steels etc, and increase in the fuel prices and fluctuations in the market conditions are inherent to this industry. The rising costs and increase in inflation rate in the recent past, have posed concerns on the fate of this industry.

The hospitality industry is prone to impacts due to fluctuations in the economy caused by changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other social factors. Since demand for hotels is affected by world economic growth, a global recession could also lead to a downturn in the hotel industry. In addition to economic risks, your Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities, etc. which may affect the level of travel and business activity.

Your Company aims to understand, measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

The company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

7. Internal control system and their adequacy

The Company has adequate internal controls commensurate with its size to ensure protection of assets against loss from unauthorised use and all the transactions are authorised, recorded and reported correctly. The internal control is also supplemented by internal audit conducted by an external and independent firm of Chartered Accountants on an ongoing basis.

The Internal Audit Reports along with management comments thereon are reviewed by the Audit Committee of the Board. Besides, the Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

8. Financial performance

- a) **Share Capital:** The Company's issued and subscribed share capital consists of Equity and Redeemable Preference Share capital. The paid-up share capital of the company as at 31st March 2013 stood at ₹ 4231.60 lakhs which includes ₹1204.23 lakhs on account of 1,20,42,292 Equity Shares of ₹10/- each; ₹ 27.37 lakhs standing to the credit of shares forfeited account being the amount originally paid up on 8,29,338 partly paid up Equity Shares, which have not been reissued and ₹ 3000.00 lakhs on account of 30,00,000 Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each.
- b) **Reserves and Surplus:** During the year under review, the reserves and surplus stood at ₹ 9608.84 lakhs as against ₹ 10362.81 lakhs during the previous year.
- c) **Non-current assets & Non-current Liabilities:** During the year under review, the non-current assets and non-current liabilities stood at ₹ 45594.02 lakhs and ₹ 29300.54 lakhs respectively against ₹ 40301.19 lakhs and ₹ 25827.22 lakhs respectively in the last year.
- d) **Current Assets & Current Liabilities:** During the year under review, the current assets and current liabilities stood at ₹ 2964.18 lakhs and ₹ 5417.22 lakhs respectively against ₹ 2426.33 lakhs and ₹ 5305.89 lakhs respectively in the last year.

9. Human Resources

The Company considers its employees to be the most valuable asset and is committed to providing a conducive work environment to enable each individual employee to fully realise his or her potential.

The company has adequate human resources to man its various activities as of now. The company reviews its manpower requirement from time to time vis-à-vis current volume of activities and inducts suitable personnel as per requirement.

During the year under review, competent persons at senior and middle management levels with support staff were inducted for overseeing the Hotel at Gurgaon.

The company follows a sound man management practices as it recognizes that employees are the foremost assets and partners in its endeavors to achieve excellence in its operations and be a commercially successful organisation.

10. Cautionary Statement

Statements in this management discussion and analysis, describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, significant changes in political and economic environment, tax laws, litigation, interests cost. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the company.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to a set of policies, principles, laws, rules, regulations and procedures that enable the company to attract best financial & human resources and to perform efficiently to maximise the long term value for the shareholders. Your company is committed to uphold good governance values and has been practicing the same over the years.

2. BOARD OF DIRECTORS

The Board of Directors provides strategic direction and thrust to the operations of the Company.

Composition of Board :

The Board of Directors of your company presently comprises of five (5) directors, all

being non-executive out of which four are independent directors. All Non-executive directors are proficient in their respective fields and bring with them decades of rich and varied experience in Finance, Income tax Laws, Money market operations, administration and management skill. Mr. Lalit Bhasin is the Non-executive Chairman of the Company and the Promoter. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

Board Meetings:

Eight (8) Meetings of the Board of Directors of the Company were held during the year under review, i.e. on 25th May 2012, 4th August 2012, 12th September 2012, 3rd November 2012, 6th February 2013, 19th February 2013, 20th March 2013 and 29th March 2013.

Composition of the Board of Directors, particulars of director's other directorships and membership in committees of other public limited companies and their attendance in the Board Meetings and in AGM held during the year under review are given hereunder:

| Name of the Director & Category | *Directorships in other public companies | | *Committee memberships in other public companies | | No. of Board Meetings during the Year | | Whether attended last AGM | Shares held in the company & % to the paid-up share capital |
|--|--|----------|--|----------|---------------------------------------|----------|---------------------------|---|
| | Director | Chairman | Member | Chairman | Held | Attended | | |
| Mr. Lalit Bhasin Promoter & Non-executive | 14 | 4 | 6 | – | 8 | 7 | Yes | 7414473 (61.57%) |
| Mrs. Asha Mehra Independent & Non-executive | – | – | – | – | 8 | 6 | Yes | Nil |
| Mr. Anil Goyal Independent & Non-executive | 11 | – | 5 | 1 | 8 | 8 | Yes | Nil |
| Mr. J.M.L. Suri Independent & Non-executive | 13 | – | 4 | 1 | 8 | 8 | Yes | 500# (not significant) |
| Mr. Rajesh Jain Independent & Non-executive | – | – | – | – | 8 | 8 | Yes | Nil |

*as on 31st March 2013

Joint Holding

In terms of the provisions of the Articles of Association of the company, one-third of such of the directors as are liable to retire by rotation shall retire from office at every Annual General Meeting. Accordingly, Mr. Lalit Bhasin and Mr. J.M.L. Suri, both non-executive directors being longest in office retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

3. BOARD COMMITTEES

The Board of Directors of the company at its meeting held on 20th December 2001 constituted two Board committees namely; Shareholders/Investors Grievance Committee in compliance to Clause 49 of the Listing Agreement and Audit Committee in due compliance with Section 292A of the Companies Act, 1956. The Board has also constituted a Remuneration Committee on 21st April 2004 in due compliance of Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Board has also constituted a Business Restructuring Committee on 6th February 2013 for the purpose of exploring various options in order to align and re-organize the existing business through merger, demerger, reverse merger etc. as permitted by the provisions of the Companies Act, 1956, Income Tax Act, 1961 and other enactment or Rules/ Regulations available. All of these committees are having their own terms of reference as approved by the Board from time to time.

(A) Audit Committee:

The Company has a duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee comprises Mrs. Asha Mehra (Chairperson), Mr. J.M.L. Suri and Mr. Rajesh Jain. All members are non-executive Independent Directors of the Company and possess sound knowledge of accounts, audit, taxation etc. The Audit Committee has been empowered, inter-alia, to carry out the following functions:

- To lay down, review and revise the accounting policies of the company.
- To review the financial operations and performance of the company.
- To review quarterly, half-yearly and annual financial accounts and other financial reports and statements, before placement thereof before the Board of Directors.
- To consider and constitute sub-committees, wherever necessary for carrying out and/or monitoring the financial operations of the company.
- To appoint whenever deemed expedient, an independent internal auditor to carry out continuous audit of the accounts and systems of the company and also to consider and/or review the appointment and removal of auditors of the company.
- To consider and set up adequate internal control systems and review and monitor the same in consultation with the internal auditors and the auditors of the company and ensure compliance of the same.
- To receive, discuss and consider the observations and reports of the internal auditors and auditors of the company time to time.
- To review and investigate on the matter of financial nature, as and when deemed necessary and expedient.
- To give report and/or recommendations to the Board on the matters concerning financial operations of the company.
- To invite and summon any executive of the company and/or appoint experts, wherever necessary and discuss with them the matters relating to finance, audit and internal control system etc.

- To obtain legal and professional advice wherever deemed necessary and expedient.
- To consider and act on any matters as are included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
- To deal with any other matters related and/or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review, Audit Committee of the Board met five (5) times i.e. on 25th May 2012, 4th August 2012, 3rd November 2012, 6th February 2013 and 29th March 2013 and the same were attended by all committee members except Mrs. Asha Mehra who could not attend Audit Committee Meeting held on 6th February 2013.

(B) Shareholders/Investors Grievance Committee:

The Shareholders/Investors Grievance Committee comprises three members, headed by Mr. J.M.L. Suri as Chairman; Mr. Anil Goyal and Mr. Rajesh Jain as its two Members, all being non-executive Independent Directors. The committee has been empowered, inter-alia, to carry out the following functions:

- To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
- To review the status of dematerialisation of company's shares and matters incidental thereto.
- To review and monitor the approval to the transfers and transmissions made by the Executive Director, under executive authority delegated to him from time to time.
- To monitor the matters of litigation related to shareholders and take decisions relating thereto.
- To consider, review and monitor the matters related to the shareholders grievances.
- To consider and finalise the Report on Corporate Governance to be annexed with the Annual Report of the company.
- To deal with any other matters related and/or incidental to the shareholders.

Mr. J.M.L. Suri, Director has been empowered to approve transfer of Equity Shares up to 10,000 shares at a time under one folio received and processed in between two Share Transfer Committee meetings.

During the year under review ten (10) meetings of the committee were held on 27th April 2012, 25th May 2012, 28th June 2012, 4th August 2012, 12th September 2012, 16th October 2012, 3rd November 2012, 26th December 2012, 6th February 2013 and 20th March 2013. These Committee meetings were attended by all the committee members.

(C) Remuneration Committee:

The Remuneration Committee of Directors has been constituted to consider, determine, approve and recommend to the Board of Directors the appointment and remuneration payable to Managerial Personnel (Managing/Whole-time Director). The Committee is Chaired by Mrs. Asha Mehra and other member is Mr. Rajesh Jain, both being non-executive Independent Directors.

Remuneration Policy: As per the remuneration policy of the Company, Managing Director / Whole-time Director(s) are to be remunerated by way of salary and perk as per the industry norms and within the limits specified under the Schedule XIII of



the Companies Act, 1956. As there is no Managing Director / Whole-time Director / Executive Director, no remuneration has been paid during the year under review. The Non-executive Directors are paid sitting fees for attending each meeting of the Board and the Committees constituted by the Board in respect of their meeting held from time to time. The sitting fee for meeting of the Board of Directors and the Board Committee's are fixed by the Board of Directors within the overall monetary ceiling fixed under the Companies Act, 1956 from time to time.

Remuneration paid to Non-executive Directors during the year ended 31st March 2013 is summarised as under:

| Director | Relationship with other Directors | Sitting Fees Paid (₹) | Salary & Perks | Commission, if any |
|-------------------|-----------------------------------|-----------------------|----------------|--------------------|
| Mr. Lalit Bhasin | – | 70,000/- | Nil | Nil |
| Mrs. Asha Mehra | – | 92,000/- | Nil | Nil |
| Mr. Anil Goyal | – | 1,25,000/- | Nil | Nil |
| Mr. J. M. L. Suri | – | 1,10,000/- | Nil | Nil |
| Mr. Rajesh Jain | – | 1,40,000/- | Nil | Nil |

(D) Business Restructuring Committee:

The Business Restructuring Committee comprises three members, headed by Mrs. Asha Mehra as Chairperson; Mr. Anil Goyal and Mr. Rajesh Jain as its two Members, all being non-executive Independent Directors. The committee has been empowered, inter-alia, to carry out the following functions:

- To analyze all the available options of capital restructuring, merger, demerger etc.
- To analyze available options for restructuring the existing Capital base by inducting more funds.
- To appoint consultants and to obtain opinion of professionals dealing in said fields on various options available for re-organization of the business of group companies and to place the opinion obtained from the said professionals before the Board of Directors of the Company.
- To appoint Advocates & Legal Counsels for the drafting of Scheme of Amalgamation/Arrangement.
- To appoint valuer for obtaining the valuation report.
- To place the Draft Scheme of Amalgamation/ Arrangement and valuation report before the Board of Directors of the Company.

During the year under review three (3) meetings of the committee were held on 11th February 2013, 9th March 2013 and 18th March 2013. These Committee meetings were attended by all the committee members except Mrs. Asha Mehra who could not attend Business Restructuring Committee meeting held on 11th February 2013.

4. Code of Conduct

The company has adopted a Code of Conduct applicable to all the Directors and Senior Management personnel of the company and the same has been posted on the company's website and has been amended from time to time as required in consonance to the changing regulations. For the year under review, all directors and senior management personnel associated with the Company have confirmed their adherence to the provisions of said Code of Conduct.

5. Risk Management

Risk assessment and minimization procedures are in existence and are reviewed periodically.

6. General Body Meetings:

(i) The details of the last three (3) Annual General Meetings ("AGM")/ Extra-ordinary General Meeting ("EGM") of the Company are as follows :

| Year | Type | Location | Date | Time |
|---------|------|--|---------------------------------|------------|
| 2013 | EGM | GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 | 20 th March 2013 | 11.00 A.M. |
| 2011-12 | AGM | GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 | 12 th September 2012 | 11.00 A.M. |
| 2010-11 | AGM | GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 | 7 th September 2011 | 11.00 A.M. |
| 2009-10 | AGM | GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 | 28 th September 2010 | 11.00 A.M. |

(ii) List of Special Resolutions passed in the previous three (3) AGMs/ EGM :

| S. No. | Subject Matter | AGM/EGM Reference and Date of passing |
|--------|--|---------------------------------------|
| 1 | Increase and re-classification of the Authorized Share Capital of the Company and amendment to the Memorandum of Association | EGM 20 th March 2013 |
| 2 | Issue of Redeemable Non-cumulative Non-convertible Preference Shares | EGM 20 th March 2013 |

- (iii) No Special Resolutions were put through postal ballot during the last year.
- (iv) No Special Resolution is proposed to be conducted through postal ballot during the last year.

7. Disclosures:

- I. There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31st March 2013 (Refer Note No.29.4 of Notes to Accounts forming part of the Balance Sheet & Profit & Loss Account). Accordingly the same has not been reproduced here.
- II. No penalty has been imposed or any strictures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during the last three years.
- III. Whistle Blower Policy being a non mandatory requirement has not been adopted by the company.
- IV. All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to/ complied.
- V. The non mandatory requirement relating to Remuneration Committee has been adopted by the company.

8. Means of Communication:

- I. Quarterly Results: Dissemination through Stock Exchange, company's website and through publication in newspaper as required under Listing Agreement.
- II. Newspapers wherein results normally published - Business Standard (Both in English & in Hindi).
- III. Website where displayed - www.hbestate.com
- IV. The Website also displays official news releases and important communications made to Stock Exchanges. As and when any presentations are made to institutional investors the same would be simultaneously uploaded on the company's website.

9. General Shareholder Information:

I. Ensuing Annual General Meeting date, time and venue:

| Venue | Day & Date | Time |
|---|--|------------|
| GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 (Haryana). | Thursday, 21 st November 2013 | 11.00 A.M. |

- II. Financial Year : 31st March 2013
- III. Date of Book Closure : 16th November 2013 to 21st November 2013 (both days inclusive).
- IV. Dividend Payment Date:
Subject to the approval of dividend by the shareholders, dividend warrants will be mailed to eligible members/beneficial owners (in respect of shares held in dematerialized form) on or before 21st November 2013.
- V. Listing on Stock Exchanges
The Company's Equity Shares are listed at Bombay Stock Exchange Ltd., Mumbai.
- VI. Stock Code
The Company's Scrip Code at BSE is 532334
- VII. Dematerialisation of Shares and Liquidity

The trading in the Equity Shares of the Company has come under compulsory dematerialisation w.e.f. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.

The company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN No. allotted to Equity Shares of the Company is INE640B01013.

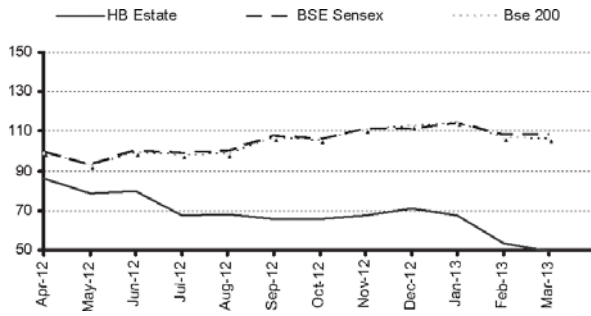
As at 31st March 2013, 99,78,784 Equity Shares of the company are held in dematerialised form constituting 82.86% of the Company's Paid up Equity Share Capital of ₹ 12,04,22,920/- comprising of 1,20,42,292 Equity shares of ₹ 10/- each.

VIII. Market Price Data: The monthly High, Low and Close price during each month in the last financial year at BSE along with volume of shares traded during the months are as under:

| Month | High | Low | Close | Volume |
|----------------|-------|-------|-------|--------|
| April 2012 | 29.40 | 23.85 | 24.40 | 11624 |
| May 2012 | 25.55 | 19.00 | 22.10 | 8597 |
| June 2012 | 25.05 | 21.00 | 22.50 | 5178 |
| July 2012 | 23.50 | 19.00 | 19.00 | 8046 |
| August 2012 | 21.50 | 18.15 | 19.15 | 9828 |
| September 2012 | 19.70 | 16.35 | 18.60 | 12454 |
| October 2012 | 21.55 | 17.70 | 18.55 | 12160 |
| November 2012 | 19.95 | 17.80 | 19.05 | 9729 |
| December 2012 | 20.50 | 17.80 | 20.10 | 20482 |
| January 2013 | 24.00 | 19.00 | 19.00 | 14819 |
| February 2013 | 19.70 | 14.50 | 15.10 | 12425 |
| March 2013 | 18.00 | 14.00 | 14.00 | 15881 |



IX. Performance in comparison to broad based indices



X. Stock Performance-Absolute returns vis-à-vis broad based indices

| | 1 year |
|------------|------------|
| HB Estate | (-) 42.62% |
| BSE Sensex | 8.76% |
| BSE 200 | 7.07% |

XI. Distribution of Shareholding and Shareholding Pattern as at 31st March 2013 are as under:

Distribution of Shareholding

| No of Shares | Shareholders | | Shareholding | |
|------------------|--------------|---------------|-----------------|---------------|
| | Nos. | % to total | Shares | % to total |
| 1-5000 | 72895 | 99.55 | 3071117 | 25.50 |
| 5001-10000 | 179 | 0.24 | 126685 | 1.05 |
| 10001-20000 | 64 | 0.09 | 91333 | 0.76 |
| 20001-30000 | 22 | 0.03 | 53925 | 0.45 |
| 30001-40000 | 17 | 0.02 | 58651 | 0.49 |
| 40001-50000 | 12 | 0.02 | 55820 | 0.46 |
| 50001-100000 | 17 | 0.02 | 137574 | 1.14 |
| 100001 and above | 20 | 0.03 | 8447187 | 70.15 |
| TOTAL | 73226 | 100.00 | 12042292 | 100.00 |

Shareholding Pattern

| Category | No of Shares held | % of Shareholding |
|--|--------------------|-------------------|
| A. Promoters Holding | | |
| - Individuals | 77,54,473 | 64.39 |
| - Bodies Corporate | 1,84,160 | 1.53 |
| B. Public Shareholding (Institutions) | | |
| - Mutual Funds and UTI | 1,125 | 0.01 |
| - Banks/Financial Institutions | 195 | 0.00 |
| - Foreign Institutional Investors | - | - |
| C. Public Shareholding (Non Institutions) | | |
| - Bodies Corporate | 5,06,015 | 4.20 |
| - NRIs | 1,08,299 | 0.90 |
| - Indian Public | 34,82,684 | 28.92 |
| - Clearing Member/Intermediary | 5,341 | 0.05 |
| TOTAL | 1,20,42,292 | 100.00 |

XII. The Company has no outstanding GDRs/ADRs/Warrants or any other instruments convertible into Equity.

XIII. Share Transfer System

Share Transfers are registered and returned within a period of 30 days from the date of receipt if the documents are clear in all respects. The authority for transfer of shares has been delegated to a Director for transfer of shares up to a fixed number beyond which the matters are placed before the Shareholders/Investors Grievance Committee, which meets as and when, required. As reported by Company's RTA all valid requests for transfers during the year under review were transferred within the stipulated time limit.

XIV. The status of Investor's Grievance Redressal during 1st April 2012 to 31st March 2013 is as under

| Nature of Grievance | Received | Cleared |
|--|-----------|-----------|
| Non receipt of Dividend | 14 | 14 |
| Non receipt of Share Certificates after transfer | 5 | 5 |
| Non receipt of Annual Reports | 1 | 1 |
| Dematerialisation of Shares | 4 | 4 |
| Total | 24 | 24 |

XV. Compliance Officer: Company Secretary of the Company act as the Compliance Officer.

XVI. Registrar and Transfer Agents
RCMC Share Registry Pvt. Ltd.,
 B-106, Sector-2, NOIDA-201 301
 Phones: 0120-4015880; Fax : 0120-2444346
 E-mail : shares@rcmcdelhi.com

XVII. Address for Correspondence
 The Company Secretary
 HB Estate Developers Limited,
 Plot No.-31, Echelon Institutional Area,
 Sector-32, Gurgaon-122001 (Haryana)
 Ph : 0124-4675500, Fax : 0124-4370985
 E-mail : corporate@hbestate.com

DECLARATION

I, J. M. L. Suri, Director of HB Estate Developers Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, for the year ended 31st March 2013.

For HB ESTATE DEVELOPERS LTD.

Sd/-
J. M. L. SURI
 Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The company has obtained a Certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchange.

CERTIFICATE

To the Members of
HB Estate Developers Ltd.
 Gurgaon

We have examined the compliance of conditions of Corporate Governance by HB Estate Developers Ltd. for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
 FRN 000468N

Place : Gurgaon
 Date : 30th September 2013

AMIT GOEL
 PARTNER
 (Membership No. 092648)



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
HB ESTATE DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HB ESTATE DEVELOPERS LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P. BHOLUSARIA & CO.
 Chartered Accountants
 Firm Registration No. 000468N

AMIT GOEL
 PARTNER
 (Membership No. 092648)

Place : Gurgaon
 Date : 30.05.2013

Annexure to Independent Auditors' Report

Re: HB Estate Developers Ltd.
 Referred to in Paragraph 1 under the heading of "Report on other legal and Regulatory Requirements" of our report of even date for the year ended 31st March 2013.

- 1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year that would affect going concern status of the Company.
- 2. a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
- 3. In respect of the loans, secured or unsecured, granted/taken by the company to/from companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (i) (a) During the Year, the company has not granted any loan, secured or unsecured to any company, firm or other party listed in the register maintained u/s 301 of the Companies Act, 1956. However, during the year, consequent upon the wound up of an AOP (as explained in note no. 29.5), the investments made there under amounting to ₹ 35,32,13,269/- were transferred to and vested in the company taking over the projects of AOP. Out of the said amount, amount to the extend of ₹ 35,00,00,000/- has been refunded back. The Maximum amount involved during the year is ₹ 35,32,13,269/- and the year end balance was ₹ 1,08,94,883/- including interest receivable.
 - (b) In our opinion and according to the information and explanations given to us the rate of interest and terms and conditions of loans given to the company listed in the register maintained under Section 301 is not prima-facie prejudicial to the interest of the Company.
 - (c) The principal amount and interest wherever applicable thereon in respect of such loan is being recovered as stipulated.
 - (ii) (a) The Company had taken loan aggregating to ₹ 9,00,00,000/- in earlier years from one Company covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year and the year end balances of the loan taken from such company was ₹ 9,00,00,000/-.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the company.
 - (c) The payment of principal amounts and interest in respect of such loans are regular/as per stipulations.
- 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods & services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
- 5. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into in the register required to be maintained under that section.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the market price prevailing at the relevant time.
- 6. The Company has not accepted any deposits from the public.
- 7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
- 8. The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
- 9. a. According to the records of the Company and according to the information and explanation given to us, undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Service Tax, Excise duty, Custom duty, Cess and other material statutory dues as applicable have been generally regularly deposited by the company during the period with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2013 for a period of more than six months from the date of becoming payable.
 - b. According to the records of the company, the disputed statutory dues that have not been deposited on account of the matters pending before appropriate authorities as on 31st March 2013 are as under:-



- (i) property tax demand of ₹ 67,36,724/- against which the company had filed Writ Petition before Hon'ble Delhi High Court and the company had been granted stay by the Hon'ble Court from the payment of said amount and the Hon'ble court has directed the MCD to recompute the tax (refer note no.29.2(a))
 - (ii) Income tax demand of ₹ 5,59,190/- for A.Y.2010-11 for which the company is in Appeal before Commissioner of Income Tax (Appeal);
 - (iii) Ground Rent as explained in note no.29.2(d)
10. The company has no accumulated losses at the end of financial year. The Company has incurred cash losses during the financial year covered by our audit but not incurred cash losses in the immediately preceding financial year.
 11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
 12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
 14. The Company is neither dealing nor trading in shares, securities, debentures and other investments therefore clause 4(xiv) of the Companies (Auditor's Report) order 2003 is not applicable to the company. In respect of Investments in shares the company has maintained proper records of transactions and contracts in respect thereto and timely entries have been made therein. All shares and securities have been held by the Company in its own name.
 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. On the basis of review of utilisation of funds pertaining to term loans on and overall basis and related information and explanation made available to us, the term loans taken by the company have been utilised for the purpose for which they were taken.
 17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that during the year, fund raised on short-term basis have not been used for long-term investment by the company.
 18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 19. No debentures have been issued by the company and hence the question of creating securities or charge in respect thereof does not arise.
 20. The Company has not raised any money by way of public issue during the year.
 21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No. 000468N

AMIT GOEL
PARTNER
(Membership No. 092648)

Place : Gurgaon
Date : 30.05.2013



BALANCE SHEET AS AT 31ST MARCH 2013

| PARTICULARS | NOTE | AS AT | |
|--------------------------------|------|------------------------------------|------------------------------------|
| | | 31 ST MARCH 2013 (₹) | 31 ST MARCH 2012 (₹) |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 423160358 | 123160358 |
| Reserves and Surplus | 3 | 960884387 | 1036281002 |
| | | 1384044745 | 1159441360 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 4 | 2769704659 | 2478488066 |
| Deferred Tax Liabilities (Net) | 13 | 53046443 | 0 |
| Other Long Term Liabilities | 5 | 106096634 | 103522014 |
| Long Term Provisions | 6 | 1206177 | 712036 |
| | | 2930053913 | 2582722116 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 90000000 | 377496292 |
| Trade Payables | 8 | 36821574 | 0 |
| Other Current Liabilities | 9 | 407211702 | 124917904 |
| Short Term Provisions | 10 | 7688236 | 28174722 |
| | | 541721512 | 530588918 |
| | | 4855820170 | 4272752394 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 11 | 4403356355 | 9454765 |
| Intangible Assets | | 12806735 | 0 |
| Capital Work in Progress | | 0 | 3529719246 |
| Non-current investments | 12 | 20974632 | 387467698 |
| Deferred Tax Assets (Net) | 13 | 0 | 464817 |
| Long term loans and advances | 14 | 13994609 | 2241454 |
| Other Non Current Assets | 15 | 108269455 | 100771455 |
| | | 4559401786 | 4030119436 |
| Current Assets | | | |
| Inventories | 16 | 237030515 | 191575358 |
| Trade receivables | 17 | 13634714 | 1538685 |
| Cash and Bank Balances | 18 | 17604036 | 40928280 |
| Short-Term Loans and Advances | 19 | 26874117 | 7430495 |
| Other Current Assets | 20 | 1275002 | 1160140 |
| | | 296418384 | 242632958 |
| | | 4855820170 | 4272752394 |

SIGNIFICANT ACCOUNTING 1 to 29
POLICIES AND NOTES ON ACCOUNTS

AS PER OUR REPORT ATTACHED ON EVEN DATE

For P BHOLUSARIA & Co.
CHARTERED ACCOUNTANTS
FRN : 000468N

AMIT GOEL
PARTNER (M. No. 092648)

PLACE : GURGAON
DATED : 30.05.2013

FOR AND ON BEHALF OF THE BOARD

RAJESH JAIN
Director

ANIL GOYAL
Director

PRAVEEN GUPTA
Chief Financial Officer

ARPITA B MALHOTRA
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

31ST MARCH 2013

| PARTICULARS | NOTE | YEAR ENDED | |
|---|------|------------------------------------|------------------------------------|
| | | 31 ST MARCH 2013 (₹) | 31 ST MARCH 2012 (₹) |
| Revenue from Operations | 21 | 74640109 | 172131901 |
| Other Income | 22 | 42954696 | 10664504 |
| Total Revenue | | 117594805 | 182796405 |
| Expenses: | | | |
| Food and Beverages Consumed | 23 | 3467511 | 0 |
| Changes in inventories of | 24 | 15035513 | 31982205 |
| Finished Goods/ Stock-in-Trade | | | |
| Employee Benefit Expense | 25 | 12628247 | 4635415 |
| Finance Costs | 26 | 61821576 | 39558347 |
| Depreciation and Amortization | 11 | 9520428 | 1518374 |
| Other Expenses | 27 | 29652494 | 17369155 |
| Total Expenses | | 132125769 | 95063496 |
| Profit/(Loss) for the year before Tax | | -14530964 | 87732909 |
| Tax expense: | | | |
| Current tax | | 0 | 28000000 |
| Less:MAT Credit Entitlement | | 0 | -10500000 |
| | | 0 | 17500000 |
| Deferred Tax (Credit)/Charge | | 53511260 | -209109 |
| Tax adjustments for earlier years | | 50318 | -457519 |
| Profit/(Loss) for the year | | -68092542 | 70899537 |
| Earning per equity share: | 28 | | |
| Equity share of Par value ₹ 10/-each | | | |
| Basic | | -5.67 | 5.89 |
| Diluted | | -5.67 | 5.89 |
| Number of equity shares used in computing earning per share | | | |
| Basic | | 12042292 | 12042292 |
| Diluted | | 12042292 | 12042292 |

SIGNIFICANT ACCOUNTING 1 to 29
POLICIES AND NOTES ON ACCOUNTS

AS PER OUR REPORT ATTACHED ON EVEN DATE

For P BHOLUSARIA & Co.
CHARTERED ACCOUNTANTS
FRN : 000468N

AMIT GOEL
PARTNER (M. No. 092648)

PLACE : GURGAON
DATED : 30.05.2013

FOR AND ON BEHALF OF THE BOARD

RAJESH JAIN
Director

ANIL GOYAL
Director

PRAVEEN GUPTA
Chief Financial Officer

ARPITA B MALHOTRA
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

| PARTICULARS | (AMOUNT IN ₹) YEAR ENDED 31 ST MARCH 2013 | (AMOUNT IN ₹) YEAR ENDED 31 ST MARCH 2012 |
|--|--|--|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax, extraordinary items | (14530964) | 87732909 |
| Adjustment for : | | |
| Depreciation/Amortisation | 9520428 | 1518374 |
| Interest/Dividend Received | (19002228) | (10753170) |
| Interest Paid | 61821576 | 39558347 |
| Profit on sale of long term/non current investments | (24353186) | 0 |
| Loss from investment in AOP | 830466 | 158666 |
| Provision for Employees Benefit | 616781 | 471868 |
| Operating Profit before Working Capital Changes | 14902873 | 118686994 |
| Adjustments for : | | |
| Trade & other receivables/Assets | (16432584) | (9493959) |
| Inventories | (45455157) | 31982205 |
| Trade Payables & other Liabilities | 69180995 | 40613888 |
| Cash generated from operations | 22196126 | 181789128 |
| Direct Tax Paid | (20316987) | (8416959) |
| Net Cash from operating activities (A) | 1879139 | 173372169 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital Work in progress/Purchase of Fixed Assets | (886518749) | (905411016) |
| Purchase of Investments | (240200) | 0 |
| Sale/decrease of Investments | 391086452 | 0 |
| Change in Earmarked/Pledged Bank Deposits | (7498000) | (100771455) |
| Change in Loan and advances/other assets | (22648039) | (1128543) |
| Change in Loan and advances/other Liabilities | 37857153 | (6348147) |
| Interest Received | 18701768 | 10412058 |
| Dividend Received | 300460 | 341112 |
| Net Cash received in Investing activities (B) | (468959155) | (1002905991) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Share Capital | 300000000 | 0 |
| Proceeds from Borrowings (Net) | 218384721 | 772720264 |
| Dividend Paid | (12042292) | (12042292) |
| Tax on Dividend | (1953561) | (1953561) |
| Interest paid | (61821576) | (39558347) |
| Net Cash used in Financing Activities (C) | 442567292 | 719166064 |
| Net increase in Cash and Cash equivalents (A+B+C) | (24512724) | (110367758) |
| CASH & CASH EQUIVALENTS (OPENING BALANCE) | 34548189 | 144915947 |
| CASH & CASH EQUIVALENTS (CLOSING BALANCE) | 10035465 | 34548189 |
| Components of cash and cash equivalents at the end of the year | | |
| Cash on hand | 1340057 | 1084846 |
| Balances with scheduled banks : | | |
| -In current and deposit accounts | 8695408 | 33463343 |
| | 10035465 | 34548189 |

AS PER OUR REPORT OF EVEN DATE ATTACHED HERE WITH

For P BHOLUSARIA & Co.
CHARTERED ACCOUNTANTS
FRN : 000468N

FOR AND ON BEHALF OF THE BOARD

AMIT GOEL
PARTNER (M. No. 092648)

RAJESH JAIN
Director

ANIL GOYAL
Director

PLACE : GURGAON
DATED : 30.05.2013

PRAVEEN GUPTA
Chief Financial Officer

ARPITA B MALHOTRA
Company Secretary



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The Financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 under the relevant provisions of the Companies Act, 1956. The Financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 REVENUE RECOGNITION

- 1.3 a Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- 1.3 b In respect of Real Estate Projects undertaken upto 31.03.2005, the company continues to follow the complete project method of accounting for projects. In respect of Real Estate Projects undertaken w.e.f. 1st April 2005, the revenue is recognised on Percentage of Completion Method.
- 1.3 c (i) In the case of projects relating to development and sale of plots and transfer/sale of right, revenue is recognised on execution of transfer documents/possession documents.
(ii) Income from services is accounted for on the basis of the bills raised on customers.
(iii) The rentals from leased premises are considered as revenue income on accrual basis. In case of sale of leased premises, rental income is accounted for up to the date of flat buyer agreement. The advance rent, if any, received from the lessees pertaining to the period after the date of flat buyer agreement is refundable to the buyer.

1.4 FIXED ASSET

Fixed Assets are stated at cost less depreciation/amortisation and impairment losses, if any. Pre operation expenses including trial run expenses (net of revenue) are capitalised. Borrowing cost during the period of construction is added to the cost of eligible tangible assets.

1.5 DEPRECIATION/AMORTISATION

- 1.5 a **Tangible Assets**
Depreciation is provided on Straight Line Method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- 1.5 b **Intangible Assets**
Intangible Assets (Software) are amortised over a period of five years.

1.6 INVENTORIES

- Inventories (real estate) are valued at lower of cost or fair market value/ net realisable value.
- Stock of Food & Beverages and stores and operating supplies are carried at cost or net realisable value whichever is lower.

1.7 INVESTMENTS

Investments (Long-Term/Non Current) are valued at cost less permanent diminution, if any.
Investments (Current) are valued at lower of cost or fair market value.

1.8 EMPLOYEE BENEFITS

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under:-

- 1.8.1 Short Term Employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which they are incurred.
- 1.8.2 Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Statement of Profit & Loss.
- 1.8.3 Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is partly funded with Life Insurance Corporation of India.
- 1.8.4 Termination benefits are recognized as an Expense as and when incurred.
- 1.8.5 The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss of the year without resorting to any amortization.

1.9 TAXATION

Tax expenses for the year comprises of current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised, only if there is a virtual certainty of its realisation. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Deferred tax assets /liabilities are reviewed at each balance sheet date based on developments during the year, further future expectations and available case laws to reassess realisation/liabilities.

1.10 IMPAIRMENT OF FIXED ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

1.11 CONTINGENCIES

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.12 BORROWING COSTS

Interest and other borrowing costs on specific borrowings attributable to qualifying assets are capitalised. Other borrowing costs are charged to revenue over the tenure of loan.

1.13 FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences on traction of monetary assets and liabilities and realised gain and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31 2013

2. SHARE CAPITAL

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|---|--|--|
| AUTHORIZED | | |
| 2,00,00,000 (2,00,00,000) Equity Shares of ₹ 10/- each. | 200000000 | 200000000 |
| Nil (1,00,00,000) Redeemable Preference Shares of ₹ 10/- each | 0 | 100000000 |
| 30,00,000 (Nil) Redeemable Preference Shares of ₹ 100/- each | 300000000 | 0 |
| | 500000000 | 300000000 |
| ISSUED | | |
| 1,28,71,630 (1,28,71,630) Equity Shares of ₹ 10/- each. | 128716300 | 128716300 |
| 30,00,000 (Nil) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each | 300000000 | 0 |
| | 428716300 | 128716300 |
| SUBSCRIBED & PAID UP | | |
| 1,20,42,292 (1,20,42,292) Equity Shares of ₹ 10/- each fully paid up. | 120422920 | 120422920 |
| Add: Forfeited shares- 8,29,338 (8,29,338) Equity Shares (Amount originally paid up) | 2737438 | 2737438 |
| 30,00,000 (Nil) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹100/- each fully paid up | 300000000 | 0 |
| Total in ₹ | 423160358 | 123160358 |

- Issued Share capital of the Company has two classes of shares referred to as under
- Equity Shares having par value of ₹ 10/. Each holder of Equity Shares is entitled to One vote per share. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31st March 2013, the amount of per share dividend proposed as distribution to equity shareholders is ₹ 0.50 (previous Year ₹ 1.00). In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Preference Shares having par value of ₹ 100/- were allotted on 29th March 2013. The Preference Shares carries 9% coupon rate of dividend (non-cumulative). The holders of Preference Shares shall not be entitled to receive notice of or to attend and vote at General meetings of the Equity Shareholders of the Company. The holders of Preference Shares shall be entitled to attend meetings and vote (one vote per share) only on the Resolutions directly affecting their rights. Also the Preference Shareholders shall not be entitled to any bonus or right issue etc. of



Equity Shares or other securities of the Company. The Preference Shares shall carry a preferential right over the Equity Shares of the Company as regards to payment of dividend and as regards to repayment of the capital in the event of winding up of the Company. The tenure of the Preference Shares will be 10 years from the date of allotment. The Preference Shares will be redeemed at par in two equal installments i.e. 50% at the end of 9th year from the date of allotment and remaining 50% at the end of 10th year from the date of allotment. For the year ended 31st March 2013, the amount of per share dividend proposed as distribution to Preference Shareholders is ₹ 0.073 per share @ 9% P.A. on pro rata basis from the date of allotment.

- Reconciliation of the number of Equity Shares outstanding and Amount of Equity Share Capital as on 31st March 2013 & 31st March 2012 is as under:

| Particulars | As at 31 st March 2013 | | As at 31 st March 2012 | |
|-----------------------------------|-----------------------------------|------------|-----------------------------------|------------|
| | No. of Shares | Amount (₹) | No. of Shares | Amount (₹) |
| Number of shares at the beginning | 12042292 | 120422920 | 12042292 | 120422920 |
| Number of shares at the end | 12042292 | 120422920 | 12042292 | 120422920 |

- Reconciliation of the number of Preference Shares outstanding and Amount of Preference Share Capital as on 31st March 2013 & 31st March 2012 is as under:

| Particulars | As at 31 st March 2013 | | As at 31 st March 2012 | |
|---|-----------------------------------|------------|-----------------------------------|------------|
| | No. of Shares | Amount (₹) | No. of Shares | Amount (₹) |
| Number of shares at the beginning | 0 | 0 | 0 | 0 |
| Number of shares issued during the year | 3000000 | 300000000 | 0 | 0 |
| Number of shares at the end | 3000000 | 300000000 | 0 | 0 |

- Particulars of Shareholders holding more than 5% shares (Equity Shares):

| Number of shareholder | As at 31 st March 2013 | | As at 31 st March 2012 | |
|-----------------------|-----------------------------------|--------------|-----------------------------------|--------------|
| | No. of Shares Held | % of holding | No. of Shares Held | % of holding |
| Lalit Bhasin | 7414473 | 61.57 | 7063350 | 58.65 |

- Particulars of Shareholders holding more than 5% shares (Preference Shares):

| Number of shareholder | As at 31 st March 2013 | | As at 31 st March 2012 | |
|-------------------------------|-----------------------------------|--------------|-----------------------------------|--------------|
| | No. of Shares Held | % of holding | No. of Shares Held | % of holding |
| HB Stockholdings Ltd. | 750000 | 25.00 | 0 | 0.00 |
| Aquarius Portfolios Pvt. Ltd. | 750000 | 25.00 | 0 | 0.00 |
| HB Portfolio Ltd. | 750000 | 25.00 | 0 | 0.00 |
| Merrygold Investments Ltd. | 750000 | 25.00 | 0 | 0.00 |

3. RESERVES AND SURPLUS

| Particulars | As at 31 st March 2013 | As at 31 st March 2012 |
|--|-----------------------------------|-----------------------------------|
| | (In ₹) | (In ₹) |
| Securities Premium Reserve-opening balance | 499742116 | 499742116 |
| Add: Addition during the year | 0 | 0 |
| | 499742116 | 499742116 |
| General Reserve-opening balance | 318199083 | 308199083 |
| Add: Transferred from Surplus | 0 | 10000000 |
| | 318199083 | 318199083 |
| Surplus -Opening Balance | 218339803 | 171436119 |
| Add: Net Profit after tax transferred from Statement of Profit & Loss | -68092542 | 70899537 |
| Less: Proposed Dividend on Preference Shares (₹0.073 per share (previous year Nil) 9% P.A. Prorata.) | 221918 | 0 |
| Less: Proposed Dividend on Equity Shares (Dividend per Equity Share ₹ 0.50/-, Previous Year ₹ 1/-) | 6021146 | 12042292 |
| Less: Tax on Proposed Dividend | 1061009 | 1953561 |
| Less: Transfer to General Reserve | 0 | 10000000 |
| Surplus-Closing balance | 142943188 | 218339803 |
| Total in ₹ | 960884387 | 1036281002 |

4. LONG TERM BORROWINGS

| | As at 31 st March 2013 | | As at 31 st March 2012 | |
|---|-----------------------------------|------------------|-----------------------------------|----------------|
| | (In ₹) | (In ₹) | (In ₹) | (In ₹) |
| (A) SECURED LOANS: | | | | |
| Term Loan From Bank- | | | | |
| - Vehicle Loan from HDFC Bank (1) | 0 | 262355 | 262355 | 591068 |
| - Term Loan from HDFC Bank (2) | 26440373 | 6285338 | 32725711 | 5577919 |
| - Term Loan from IDBI Bank (3) | 642857143 | 107142857 | 750000000 | 0 |
| - Term Loan from Punjab National Bank (4) | 642857143 | 107142857 | 750000000 | 0 |
| Total-A | 1312154659 | 220833407 | 1532988066 | 6168987 |

| | As at 31 st March 2013 | | As at 31 st March 2012 | |
|---------------------------------------|-----------------------------------|------------------|-----------------------------------|----------------|
| | (In ₹) | (In ₹) | (In ₹) | (In ₹) |
| (B) UNSECURED LOANS | | | | |
| - Intercorporate Loans & Advances (5) | 1457550000 | 0 | 945500000 | 0 |
| Total-B | 1457550000 | 0 | 945500000 | 0 |
| Total (A+B) | 2769704659 | 220833407 | 2478488066 | 6168987 |

- Maturity Profile of Secured Term Loan from banks are as under:

| | 1-2 years | 2-3 years | 3-4 years | Beyond 4 year |
|---------------------------------------|-----------|-----------|-----------|---------------|
| - Term Loan from HDFC Bank | 7082477 | 7980713 | 8992866 | 2384317 |
| - Term Loan from IDBI Bank | 107142857 | 107142857 | 107142857 | 321428571 |
| - Term Loan from Punjab National Bank | 107142857 | 107142857 | 107142857 | 321428571 |

- (1) Vehicle Loan From HDFC Bank**
Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 9%P.A.Repayable in 36 monthly installments.Last installment due in August 2013.
- (2) HDFC Bank -Term Loan**
Secured by way of exclusive charge on rent receivable for part of the premises at Plot No.31, Sector-32, Gurgaon, exclusive charge on equivalent mortgage of property at Plot No.31, Sector-32, Gurgaon; shares of Jaiprakash Associates Ltd. equivalent to loan amount and personal guarantee of Mr. Lalit Bhasin, Director. The Rate of Interest is 12 %P.A. (Variable). Repayable in 92 monthly installments. Last installment due in June 2017.
- (3) IDBI Bank -Term Loan**
Secured by way of first pari passu charge by way of mortgage by deposit of title deeds on Company's immovable properties situated at Site No 1, Sec 44 Disst. Gurgaon (Haryana) and on all the current assets including all receivables and investments of Hotel Project of the Company, Movable Fixed Assets of the Hotel Project of the Company both present and future and personal guarantee of Mr. Lalit Bhasin, Director. The Rate of Interest is 14.50 %P.A. (Variable). Repayable in 84 monthly installments starting 1st April 2013.
- (4) Punjab National Bank -Term Loan**
Secured by way of first pari passu charge by way of mortgage by deposit of title deeds on Company's immovable properties situated at Site No 1, Sec 44 Disst. Gurgaon (Haryana) and on all the current assets including all receivables and investments of Hotel Project of the Company, Movable Fixed Assets of the Hotel Project of the Company both present and future and personal guarantee of Mr. Lalit Bhasin, Director. The Rate of Interest is 15.25% P.A. (Variable). Repayable in 84 monthly installments starting 1st April 2013.
- (5) Intercorporate Loans and Advances are interest free and are repayable beyond 3 years.

5. OTHER LONG TERM LIABILITIES

| Particulars | As at 31 st March 2013 | As at 31 st March 2012 |
|--------------------|-----------------------------------|-----------------------------------|
| | (In ₹) | (In ₹) |
| Security Deposits* | 106096634 | 103522014 |
| Total in ₹ | 106096634 | 103522014 |

* include due from related parties (refer note no. 29.4)

6. LONG TERM PROVISIONS

| Particulars | As at 31 st March 2013 | As at 31 st March 2012 |
|---|-----------------------------------|-----------------------------------|
| | (In ₹) | (In ₹) |
| Provisions For Employees Benefit | | |
| Leave Encashment | 511826 | 340275 |
| Gratuity (net) | 694351 | 371761 |
| Total in ₹ | 1206177 | 712036 |

7. SHORT TERM BORROWINGS

| Particulars | As at 31 st March 2013 | As at 31 st March 2012 |
|--|-----------------------------------|-----------------------------------|
| | (In ₹) | (In ₹) |
| Unsecured From Bank | | |
| Overdraft Facility | 0 | 287496292 |
| From Related Party (Refer Note No.29.4) | | |
| Intercorporate Loan | 90000000 | 90000000 |
| Total in ₹ | 90000000 | 377496292 |

8. TRADE PAYABLES

| Particulars | As at 31 st March 2013 | As at 31 st March 2012 |
|--|-----------------------------------|-----------------------------------|
| | (In ₹) | (In ₹) |
| Due to Micro, Small & Medium Enterprises (Refer Footnote (i) & (ii)) | 532206 | 0 |
| Others | 36289368 | 0 |
| Total in ₹ | 36821574 | 0 |

- (i) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the Company in this regard.



(ii) The disclosure relating to Micro, Small & Medium enterprises is as under:

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year. | 532206 | Nil |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | Nil | Nil |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day. | Nil | Nil |
| (iv) The amount of interest due and payable for the year | Nil | Nil |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year. | Nil | Nil |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid. | Nil | Nil |

9. OTHER CURRENT LIABILITIES

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|---|--|--|
| Current Maturities of Long term Debts (Refer Note No.4) | 220833407 | 6168987 |
| Interest Accrued but not due on borrowings | 23954873 | 12691167 |
| Unclaimed Dividend * | 7568571 | 6380091 |
| Creditors for Capital Expenditure (including Retention & Earnest Money) | 45785963 | 7928810 |
| Expenses Payable | 22668141 | 5201607 |
| Security Deposits | 0 | 5175852 |
| Advances from Customers | 79863937 | 79425301 |
| Statutory Dues | 6536810 | 1946089 |
| Total in ₹ | 407211702 | 124917904 |

*There was no amount outstanding due to be transferred to Investor Education and Protection Fund.

10. SHORT TERM PROVISIONS

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|---|--|--|
| Provisions For Employees Benefit | | |
| Leave Encashment | 384163 | 261523 |
| Others | | |
| Income Tax (net of Income Tax,Tds and MAT Credit) | 0 | 13917346 |
| Proposed Dividend | 6243064 | 12042292 |
| Dividend Tax | 1061009 | 1953561 |
| Total in ₹ | 7688236 | 28174722 |

11. FIXED ASSETS

(Amount In ₹)

| S. No. | Particulars | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|-----------|---|-------------------|---------------------------|----------------------------|-------------------|-----------------------------|----------------|----------------------------|-----------------|-------------------|-------------------|
| | | As at 01.04.2012 | Additions during the year | Adjustment during the year | As at 31.03.2013 | As at 01.04.2012 | For the year | Adjustment during the year | Upto 31.03.2013 | As on 31.03.2013 | As at 31.03.2012 |
| A. | Tangible Assets | | | | | | | | | | |
| 1 | Freehold Land | 0 | 1553037422 | 0 | 1553037422 | 0 | 0 | 0 | 0 | 1553037422 | 0 |
| 2 | Building | 0 | 1789908955 | 0 | 1789908955 | 0 | 3948901 | 0 | 3948901 | 1785960054 | 0 |
| 3 | Plant & Equipments | 50866 | 503423421 | 0 | 503474287 | 45210 | 1567453 | 0 | 1612663 | 501861624 | 5656 |
| 4 | Furniture & Fixtures | 11494924 | 526936084 | 0 | 538431008 | 5718280 | 3165745 | 0 | 8884024 | 529546983 | 5776644 |
| 5 | Vehicles | 2591984 | 0 | 0 | 2591984 | 539630 | 238952 | 0 | 778582 | 1813402 | 2052354 |
| 6 | Office Equipments | 1911514 | 0 | 0 | 1911514 | 548069 | 82243 | 0 | 630311 | 1281202 | 1363445 |
| 7 | Computers | 2803729 | 29945474 | 0 | 32749203 | 2547064 | 346472 | 0 | 2893536 | 29855667 | 256665 |
| | Total Tangible Assets (A) | 18853017 | 4403251355 | 0 | 4422104371 | 9398251 | 9349766 | 0 | 18748017 | 4403356355 | 9454765 |
| | Previous Year | 18816436 | 36581 | 0 | 18853017 | 7879877 | 1518374 | 0 | 9398251 | 9454766 | 10936559 |
| B. | Intangible Assets | | | | | | | | | | |
| 1 | Softwares | 0 | 12977397 | 0 | 12977397 | 0 | 170662 | 0 | 170662 | 12806735 | 0 |
| | Total Intangible Assets (B) | 0 | 12977397 | 0 | 12977397 | 0 | 170662 | 0 | 170662 | 12806735 | 0 |
| | Previous Year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. | Capital Work in Progress | | | | | | | | | | |
| | Total Capital Work in Progress (C) | 3529719246 | 886509506 | 4416228752 | 0 | 0 | 0 | 0 | 0 | 0 | 3529719246 |
| | Previous Year | 2624344811 | 905374435 | 0 | 3529719246 | 0 | 0 | 0 | 0 | 3529719246 | 2624344811 |
| | Total (A+B+C) | 3548572263 | 5302738258 | 4416228752 | 4435081769 | 9398251 | 9520428 | 0 | 18918679 | 4416163090 | 3539174011 |
| | Previous Year | 2643161247 | 905411016 | 0 | 3548572263 | 7879877 | 1518374 | 0 | 9398251 | 3539174012 | 2635281370 |



12. NON CURRENT INVESTMENTS

| Name of the Company | Face Value (₹) | As at 31 st March 2013 | | As at 31 st March 2012 | |
|--|-------------------|-----------------------------------|-----------------|-----------------------------------|------------------|
| | | Qty.(Nos.) | Amount (In ₹) | Qty.(Nos.) | Amount (In ₹) |
| - Long Term Investments (at cost) | | | | | |
| A. TRADE | | | | | |
| A.1 Investments in Equity Instruments | | | | | |
| - Fully Paid up Equity Shares (Quoted) Jai Prakash Associates Ltd | 2 | 375920 | 10042592 | 850920 | 22732122 |
| - Fully Paid up Equity Shares in Associate Company (Unquoted) Parsvnath HB Projects Pvt. Ltd. | 10 | 24020 | 240,200 | 0 | 0 |
| A.2 Investment in Joint Venture- (contribution to Association of Person) Parsvnath Developers (AOP) | | | | | |
| | | | 0 | | 354043736 |
| Total-A (Trade) (A1+A2) | | 399940 | 10282792 | 850920 | 376775858 |
| B. OTHER THAN TRADE | | | | | |
| B.1 Investments in Equity Instruments Fully Paid up Equity Shares Quoted | | | | | |
| Royal Orchid Hotels Ltd | 10 | 496 | 81840 | 496 | 81840 |
| RRB Securities Ltd. (*) | 10 | 86100 | 8610000 | 86100 | 8610000 |
| Unquoted | | | | | |
| Harsai Investments Ltd | 10 | 200000 | 2000000 | 200000 | 2000000 |
| Total-B (Other than trade) | | 286596 | 10691840 | 286596 | 10691840 |
| Grand Total - (A+B) | | 686536 | 20974632 | 1137516 | 387467698 |

Aggregate amount of Quoted Investments ₹ 1,87,34,432/- (Previous year ₹ 3,14,23,962/-) and Market Value thereof ₹ 3,32,47,169 /- (Previous year ₹ 7,80,69,227/-)

Aggregate amount of unquoted Investment in shares ₹ 22,40,200/- (Previous year ₹ 20,00,000/-)

Investment Costing ₹ 1,00,18,014/- (Previous Year ₹ 2,03,03,216/-) were lying pledged in favour of the bank as at the year end.

(*) Listed but not quoted.

13. DEFERRED TAX LIABILITY/(ASSETS)

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|--|--|--|
| Liability | | |
| Fixed Assets | 53587000 | 0 |
| Assets | | |
| Fixed Assets | 0 | 148946 |
| Leave Encashment/Gratuity | 540557 | 315871 |
| Net Deferred Tax Liability/(Assets) | 53046443 | (464817) |

14. LONG TERM LOANS & ADVANCES

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|-----------------------------------|--|--|
| Unsecured, Considered Good | | |
| Capital Advances | 9178800 | 2047254 |
| Security Deposits | 4815809 | 194200 |
| Total in ₹ | 13994609 | 2241454 |

15. OTHER NON CURRENT ASSETS

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|----------------------|--|--|
| Deposits with Banks* | 108269455 | 100771455 |
| Total in ₹ | 108269455 | 100771455 |

*Pledged/ under lien with banks for issue of Bank Guarantees/LC

16. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

| Particulars | As at 31 st March, 2013 (In ₹) | As at 31 st March, 2012 (In ₹) |
|--------------------------------------|---|---|
| Completed Construction (Real Estate) | 176539845 | 191575358 |
| Food & Beverages | 4485077 | 0 |
| Stores and Operating Supplies | 56005593 | 0 |
| Total in ₹ | 237030515 | 191575358 |

17. TRADE RECEIVABLES

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|---|--|--|
| Unsecured, considered good | | |
| Outstanding for a period exceeding Six Months | 0 | 0 |
| Others | 13634714 | 1538685 |
| Total in ₹ | 13634714 | 1538685 |

18. CASH & BANK BALANCES

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|------------------------------------|--|--|
| Cash & Cash Equivalents | | |
| Cash-on-Hand | 1340057 | 1084846 |
| Balances with Banks | | |
| - In Current and Deposit Accounts | 8695408 | 33463343 |
| Other Bank Balances | | |
| - In Earmarked Dividend Accounts | 7568571 | 6380091 |
| Total in ₹ | 17604036 | 40928280 |

19. SHORT TERMS LOANS AND ADVANCES

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|--|--|--|
| Unsecured, Considered Good | | |
| Loans and Advances to Related Party-Associate* | 10894884 | - |
| Prepaid Expenses/Expenses recoverable /Advances against supplies | 2776518 | 270544 |
| Property Tax, Service tax | 7687190 | 7159951 |
| Advance Tax and Tax deducted at Source (Net of Provisions) | 5515525 | - |
| Total in ₹ | 26874117 | 7430495 |

*To Parsvnath HB Projects Pvt. Ltd.

20. OTHER CURRENT ASSETS

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|---|--|--|
| Interest accrued but not due on Bank deposits | 1275002 | 1160140 |
| Total in ₹ | 1275002 | 1160140 |

21. REVENUE FROM OPERATIONS

| Particulars | For the Year ended 31 st March 2013 (In ₹) | For the Year ended 31 st March 2012 (In ₹) |
|---|---|---|
| Hotel | | |
| Room Income | 4491847 | - |
| Food & Beverages, Restaurant and Banquet Income | 4423062 | - |
| Others | 301467 | - |
| Real Estate | | |
| Sales | 29725000 | 77550500 |
| Other Operating Income* | 35698733 | 94581401 |
| Total in ₹ | 74640109 | 172131901 |

* Includes Rental Income, Facility Charges and Other Claims



22. OTHER INCOME

| Particulars | For the Year ended 31 st March 2013 (In ₹) | For the Year ended 31 st March 2012 (In ₹) |
|---|---|---|
| Share of Loss from AOP | -830466 | -158666 |
| Interest On Fixed Deposits with banks | 10166641 | 10412058 |
| Dividend Income on Non Current/ Long Term Investments | 300460 | 341112 |
| Gain on Sale on Non Current/Long Term Investments | 24353186 | 0 |
| Interest on Loan and Advances from Associates | 8535127 | 0 |
| Other Income | 417173 | 70000 |
| Exchange rate Variation | 12575 | 0 |
| Total in ₹ | 42954696 | 10664504 |

23. FOOD AND BEVERAGES CONSUMED

| Particulars | For the Year ended 31 st March 2013 (In ₹) | For the Year ended 31 st March 2012 (In ₹) |
|----------------------|---|---|
| Opening Stock | | 0 |
| Add : Purchases | 11213734 | 0 |
| Less : Capitalised | 3261146 | 0 |
| Less : Closing Stock | 4485077 | 0 |
| Total in ₹ | 3467511 | 0 |

24. INCREASE/DECREASE IN STOCK-COMPLETED CONSTRUCTION

| Particulars | For the Year ended 31 st March 2013 (In ₹) | For the Year ended 31 st March 2012 (In ₹) |
|----------------------|---|---|
| Opening Stock | 191575358 | 223557563 |
| Less : Closing Stock | 176539845 | 191575358 |
| Total in ₹ | 15035513 | 31982205 |

25. EMPLOYEE BENEFIT EXPENSES

| Particulars | For the Year ended 31 st March 2013 (In ₹) | For the Year ended 31 st March 2012 (In ₹) |
|--|---|---|
| Salaries and Benefits | 11052322 | 3929610 |
| Contribution and Provident fund and other fund | 864070 | 522187 |
| Staff welfare | 711855 | 183618 |
| Total in ₹ | 12628247 | 4635415 |

26. FINANCE COSTS

| Particulars | For the Year ended 31 st March 2013 (In ₹) | For the Year ended 31 st March 2012 (In ₹) |
|-------------------|---|---|
| Interest expense* | 61821576 | 39558347 |
| Total in ₹ | 61821576 | 39558347 |

*Includes Interest on IncomeTax Rs.1841734/- (Previous Year Rs.632871/-)
Interest capitalised during the year Rs. 21,23,02,829/- (Previous Year Rs.22,16,34,784/-)

27. OTHER EXPENSES

| Particulars | For the Year ended 31 st March 2013 (In ₹) | For the Year ended 31 st March 2012 (In ₹) |
|---|---|---|
| Linen, Room, Catering & Other Supplies/Services | 718500 | 0 |
| Facility Management Services | 4525855 | 3172004 |
| Legal & Professional | 2938441 | 1317900 |
| Communication | 1742427 | 1275846 |
| Commission/Brokerage | 160477 | 1144305 |
| Advertisements | 4324215 | 59263 |
| Printing & Stationery | 1079801 | 680681 |
| Conveyance & Travelling | 1804054 | 651708 |
| Repair & Maintenance: | | |
| - To buildings | 529352 | 454961 |
| - To others | 2342899 | 3951334 |
| Fuel, Power & Light | 6200369 | 3027832 |
| Listing Fee | 40000 | 40000 |
| Insurance | 55558 | 26923 |
| Sitting Fees | 537000 | 312000 |
| Miscellaneous | 746337 | 349515 |
| Vehicle Running & Maintenance | 555213 | 487810 |
| Licence Fees | 363013 | |
| Operating Fees | 460819 | |
| Auditors' Remuneration | | |
| - Audit Fees | 250000 | 125000 |
| - Tax Audit Fees | 35000 | 15000 |
| - Tax Matters | 94100 | 45000 |
| - Certification & Others | 57500 | 80500 |
| Property Tax | 91565 | 265500 |
| Total in ₹ | 29652495 | 17369155 |

28. EARNING PER SHARE

| Particulars | Current Year (In ₹) | Previous Year (In ₹) |
|--|---------------------|----------------------|
| Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders. | -68092542 | 70899536 |
| Less: Dividend attributable to Preference Shareholders | 221918 | 0 |
| Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders. | -68314460 | 70899536 |
| Weighted Average Nos. of Equity Share Outstanding | 12042292 | 12042292 |
| Earning Per Share (face value of ₹10 each) | | |
| Basic and diluted Earning per share (₹) | -5.67 | 5.89 |

29. Other Notes

29.1 Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital account (net of advances) ₹ 5,16,81,364/- (Previous year ₹ 31,97,28,986/-).

29.2 Contingent liability in respect of:

- Property Tax - ₹ 78,21,151/- (Previous year ₹ 78,21,151/-)
The total demand raised by MCD was ₹ 83,85,604/-(Previous Year ₹ 83,85,604/-). Against this, the company deposited the admitted liability of ₹ 5,64,453/-(Previous Year ₹ 5,64,453/-). For the balance amount of ₹ 78, 21,151/- the company had filed a Writ Petition before the Hon'ble Delhi High Court. The company had also filed a stay petition before the Hon'ble High Court praying for stay for the payment of aforesaid amount of ₹ 78,21,151/-. As per direction of Hon'ble Court the company paid a sum of ₹ 10,18,477/-against the aforesaid demand and for the balance amount the company had been granted stay. The Hon'ble High Court directed MCD to re-compute the tax. In the opinion of management the demand raised by MCD is not sustainable and no further liability will arise and therefore the aforesaid amount of ₹ 10,18,477/- paid by the company is being shown as recoverable in the Balance Sheet under the head Short Term Loans & Advances.
- Income tax demand for which rectification/appeal has been filed with the appropriate authorities- ₹ 5,59,190/-(previous year ₹ 3,34,09,868/-).
- Letter of Credit/Bank guarantee issued by bank ₹ 10,82,69,455/- (previous year ₹ 10,07,71,455/-).
- The company had received a show cause notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 258.68 Lacs (Excluding un determined interest) on account of ground rent in respect of its property at Plot No. A-2, 3 & 4 in District Centre, Wazirpur, Delhi upto the period 14th July 2006. Aggrieved by show cause notice issued by DDA, the company filed a writ petition in the Hon'ble High Court of Delhi Challenging the aforesaid demand. The Hon'ble High Court, vide its order dated 4th December 2006 set-aside the matter to DDA for reconsideration. DDA vide Notice dated 12.01.2010 demanded a sum of ₹ 398.46 lacs (excluding interest) towards ground rent upto the period 14.07.2010. Aggrieved by the said demand, the company again filed a writ petition in the Hon'ble High Court of Delhi which vide its order dated 31.05.2010 stayed the operations of the order of DDA subject to company depositing a sum of ₹ 100 Lacs. As per the direction of Hon'ble high court, the company has deposited the said amount of ₹ 100 lacs on 10.06.2010.
The matter is pending for final disposal by the Hon'ble Court. The liability will be determined only after the disposal of matter by the Hon'ble High Court of Delhi ; and therefore at this stage, in the opinion of management any further provision is neither considered necessary nor ascertainable. The effect of any arrear/excess amount will be taken after the decision of the Hon'ble Court.
- Claim against the company not acknowledged as debt ₹ 2,77,55,293/- (Previous Year ₹ Nil).

29.3 Capital work in progress consists of :

| Descriptions | Current Year (In ₹) | Previous Year (In ₹) |
|--|---------------------|----------------------|
| Payment for land to HUDA/Registration & Allied charges | 1553037422 | 1553850227 |
| Interest & Finance Charges | 667633435 | 455330606 |
| Material & Labour | 1442890611 | 1052219801 |
| Plant & Machinery and Equipments | 346388507 | 237018930 |
| Professional & Technical Fees | 134780361 | 118812173 |
| Others | 243832017 | 112487510 |
| Trial Run Expenses | 39092921 | 0 |
| Pre Operative Income | -11426522 | 0 |
| Total in ₹ | 4416228752 | 3529719247 |
| Less: Capitalized to Fixed Assets - Tangible | 4403251355 | 0 |
| - Intangible | 12977397 | 0 |

During the year, consequent upon the completion of construction of Hotel Project, in substantial and material respect and commencement of commercial operation, the work in progress has been capitalised to various assets. The capitalisation in respect of remaining minor/residuary work shall be made on completion/performance of such remaining minor/residuary work.



29.4 Related Party Transactions:

Related party disclosures

As per Accounting Standard (AS-18) on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below:-

29.4 List of Related parties with whom transactions have taken place and relationship :

- (a) Key Managerial Personnel
 - (i) Mr. Praveen Gupta
- (b) Person having significant influence/control/major shareholders
 - (i) Sh. Lalit Bhasin
- (c) Enterprises over which significant influence/control exist of the relatives of persons mentioned in (b) above
 - (i) RRB Master Securities Delhi Ltd.
- (d) Enterprises under direct or indirect common control/significant influence
 - (i) HB Stockholdings Ltd.
 - (ii) HB Portfolio Ltd.
 - (iii) HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)
 - (iv) HB Leasing & Finance Co Ltd.
 - (v) RRB Securities Ltd.
 - (vi) RRB Masterholdings Ltd.(Subsidiary of RRB Securities Ltd.)
- (e) Enterprises under Joint ventures/Associate Company
 - (i) Parsvnath Developers (AOP)
 - (ii) Parsvnath HB Projects Pvt. Ltd.-Associate

29.4(b) Transactions during the year with related party.

| Nature of Transaction | Referred to in (a) above | Referred to in (b) above | Referred to in (c) above | Referred to in (d) above | Referred to in (e) above |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Remuneration & other services | 2827855 | Nil | Nil | Nil | Nil |
| | (944668) | (Nil) | (Nil) | (Nil) | (Nil) |
| Sitting Fee | Nil | 70000 | Nil | Nil | Nil |
| | (Nil) | (50000) | (Nil) | (Nil) | (Nil) |
| Share of Loss | Nil | Nil | Nil | Nil | 830466 |
| | (Nil) | (Nil) | (Nil) | (Nil) | (158666) |
| Rent Received | Nil | Nil | 753744 | 2153040 | Nil |
| | (Nil) | (Nil) | (667011) | (2153040) | (Nil) |
| Sale | Nil | 30528 | Nil | Nil | Nil |
| | (Nil) | (Nil) | (Nil) | (Nil) | (Nil) |
| Sale of Investment through them | Nil | Nil | 37042716 | Nil | Nil |
| | (Nil) | (Nil) | (Nil) | (Nil) | (Nil) |
| DP Charges paid | Nil | (Nil) | Nil | 10188 | Nil |
| | (Nil) | Nil | (Nil) | (2593) | (Nil) |
| Dividend paid | Nil | 7063350 | Nil | 184160 | Nil |
| | (Nil) | (7063350) | (Nil) | (184160) | (Nil) |
| Interest paid on Loan | Nil | Nil | Nil | 10800000 | Nil |
| | (Nil) | (Nil) | (Nil) | (10800000) | (Nil) |
| Investment/Loans and Advances recovered during the year | Nil | Nil | Nil | Nil | 350000000 |
| | (Nil) | (Nil) | (Nil) | (Nil) | (Nil) |
| Interest Received during the year | Nil | Nil | Nil | Nil | 8535127 |
| | (Nil) | (Nil) | (Nil) | (Nil) | (Nil) |
| Advance received during the year | Nil | 100000 | Nil | Nil | Nil |
| | (Nil) | (Nil) | (Nil) | (Nil) | (Nil) |
| Outstanding in respect of Loan including interest accrued as on 31.03.2013 (Payable) | Nil | Nil | Nil | 94846685 | Nil |
| | (Nil) | (Nil) | (Nil) | (92396712) | (Nil) |
| Outstanding in respect of Advance received | Nil | 69472 | Nil | Nil | Nil |
| | (Nil) | (Nil) | (Nil) | (Nil) | (Nil) |
| Outstanding in respect of Loan and advances including interest accrued thereon (Receivable) | Nil | Nil | Nil | Nil | 10894884 |
| | (Nil) | (Nil) | (Nil) | (Nil) | (Nil) |
| Outstanding payable in respect of security deposit received | Nil | Nil | 142485 | 86200000 | Nil |
| | (Nil) | (Nil) | (142485) | (86200000) | (Nil) |

29.4(c) Disclosure in respect of outstanding balance of related party transactions:

- (i) Short Term borrowing includes loan taken from HB Portfolio Ltd. ₹ 9,00,00,000/- (previous year ₹ 9,00,00,000/-); Interest accrued but not due thereon ₹ 48,46,685/- (previous

year ₹ 23,96,712/-). (ii) Security Deposits received includes ₹ 3,45,00,000/- (previous year ₹ 3,45,00,000/-) from HB Stockholdings Ltd.; ₹ 3,45,00,000/- (previous year ₹ 3,45,00,000/-) from HB Portfolio Ltd.; ₹ 1,15,00,000/- (previous year ₹ 1,15,00,000/-) from HB Leasing & Finance Co. Ltd.; ₹ 57,00,000/- (previous year ₹ 57,00,000/-) from RRB Securities Ltd. and ₹ 1,42,485/- (previous year ₹ 1,42,485/-) from RRB Master Securities Delhi Ltd. (iii) Short term Loan and advances includes ₹ 1,08,94,884/- (Previous Year ₹ Nil/-) from Parsvnath HB Projects Pvt. Ltd.

29.5 (a) The Company had entered into an agreement with a party namely M/s Parsvnath Developers Ltd. for undertaking Real Estate development projects. The agreement had been made by way of Association of Persons (AOP) under the name and style of "Parsvnath Developers (AOP)". Under the Agreement, the said AOP had taken up a real estate project at Mohali. During the year, the entire business of AOP has been transferred as a going concern to Parsvnath HB Projects Private Limited (hereafter referred as the 'new company') and the AOP has been wound up w.e.f. 31st December 2012. The company has acquired 49% equity shares in the new company and the remaining 51% has been acquired by M/s Parsvnath Developers Ltd. As on the date of winding up, the investments of company ₹ 35,32,13,269/- in the AOP was transferred to /taken over as payable by new company. After 31st December 2012 out of the aforesaid amount of ₹ 35,32,13,269/- an amount of ₹ 35,00,00,000/- has been recovered and at the year end only ₹ 1,08,94,884/- (including interest) in recoverable.

b) The company's share of Loss amounting to ₹ 8,30,466/- for the year up to the date of winding up (previous year Loss ₹ 1,58,666/-) from the aforesaid AOP is based on separate financial statements of AOP. The brief breakup of share of profit/(loss) is as under:

| Particulars | Current Year (In ₹) | Previous Year (In ₹) |
|--------------------------|---------------------|----------------------|
| Turnover | 721032 | 2200573 |
| Expenses | 1650847 | 2359239 |
| Profit/(Loss) before tax | (929815) | (158666) |
| Provision for tax | (93349) | Nil |
| Profit/(Loss) after tax | (830466) | (158666) |

c) Brief Particulars of companies share/interest in Assets and Liabilities of AOP are as under:-

| Particulars | Current Year (In ₹) | Previous Year (In ₹) |
|------------------------|---------------------|----------------------|
| Assets | Nil | 522192394 |
| Liabilities | Nil | 191418787 |
| Capital Commitment | Nil | Nil |
| Contingent Liabilities | Nil | Nil |

29.6 (a) C.I.F. value of Imports

| Particulars | As at 31 st March 2013 (In ₹) | As at 31 st March 2012 (In ₹) |
|-------------------------------|--|--|
| Stores and Operating Supplies | 24371032 | 0 |
| Capital Goods | 79618126 | 161762034 |

(b) Expenditure in foreign currency (Including Pre-operative)

| Particulars | Year ended 31 st March 2013 (In ₹) | Year ended 31 st March 2012 (In ₹) |
|-------------------------------|---|---|
| Travelling | 937644 | 1645098 |
| Professional & Technical Fees | 3587498 | 17151234 |
| Advertisement | 171074 | 0 |
| Others | 33418 | 0 |

(c) Earning in Foreign Currency:

| Particulars | Year ended 31 st March 2013 (In ₹) | Year ended 31 st March 2012 (In ₹) |
|--|---|---|
| Sale/revenue (including pre-operative revenue) | 3115166 | 0 |

(d) The company has not remitted any dividend in foreign currency and does not have information as to the extent to which remittance, if, any in foreign currency on account of dividends have been made by/ on behalf of non – resident shareholders. The particulars of dividend paid to non- resident shareholders are as under:-

| Particulars | Current Year (In ₹) | Previous Year (In ₹) |
|--|---------------------|----------------------|
| No. of Non- resident shareholders | 646 | 663 |
| No. of equity Shares held by them | 108773 | 107575 |
| i) Amount of Dividend paid (Gross) (₹) | 108773 | 107575 |
| ii) Tax Deducted at Sources | Nil | Nil |
| iii) Year to which dividend relates | 2011-12 | 2010-11 |



29.7 Disclosure pursuant to Accounting Standard - 15

(a) Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under :-

| Particulars | Current Year (in ₹) | Previous Year (in ₹) | Head under which shown in statement of Profit & Loss |
|--------------------------------|---------------------|----------------------|--|
| Contribution to Provident Fund | 463928 | 163178 | Contribution to Provident Fund & other fund. |

(b) Defined Benefit Plan

Movement in net liability

| Particulars | Gratuity (Funded) ₹ | | Leave Encashment (Unfunded) ₹ | |
|--|---------------------|---------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Present value of obligations as at the beginning of the year (A) | 907332 | 505403 | 601798 | 412310 |
| Adjustment for increase (decrease) in opening obligation (B) | Nil | Nil | Nil | Nil |
| Interest Cost (C) | 72587 | 40432 | 49512 | 36077 |
| Current service cost (D) | 561894 | 332978 | 328782 | 238999 |
| Benefits paid (E) | Nil | Nil | -167229 | -122753 |
| Actuarial loss/ (gain) on obligation (F) | -209706 | 28519 | 83126 | 37165 |
| Present value of obligations as at the end of the year (G=A+B+C+D-E+F) | 1332107 | 907332 | 895989 | 601798 |

(c) The amounts recognized in the balance sheet and Profit & loss account are as follows:

| Particulars | Gratuity (Funded) ₹ | | Leave (Unfunded) ₹ | |
|---|--|---------------|--------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Present value of obligation (A) | 1332107 | 907332 | 895989 | 601798 |
| Estimated fair value of plan assets (B) | 637756 | 535571 | Nil | Nil |
| Net Liability (C=A-B) | 694351 | 371761 | 895989 | 601798 |
| Amounts in the Balance Sheet | | | | |
| Liabilities | 694351 | 371761 | 895989 | 601798 |
| Amount charged to Profit & Loss Account | | | | |
| Current Service Cost | 561894 | 332978 | 328782 | 238999 |
| Interest Cost | 72587 | 40432 | 49512 | 36077 |
| Expected Return on Plan Asset | -51342 | -42920 | Nil | Nil |
| Actuarial(Gain)/Loss | -209706 | 28519 | 83126 | 37165 |
| | 373433 | 359009 | 461420 | 312241 |
| Head under which shown in the Profit & Loss account | Contribution to Provident Fund and other Funds | | Salary & benefits. | |

(d) The Actual Return on Plan Assets is as follows:

| Particulars | Gratuity | |
|---------------------------------|--------------|---------------|
| | Current Year | Previous Year |
| i) Actual return on plan assets | 51342 | 42920 |

(e) Following are the Principal Actuarial Assumptions used as at the balance sheet date.

| Particulars | Gratuity | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Discount Rate | 8% | 8% |
| Expected Rate of Return on Plan Assets | 9% | 9% |
| Salary Escalation Rate | 6% | 6% |

(f) A reconciliation of the opening and closing balances of the fair value of plan assets:

| Particulars | Gratuity | |
|-----------------------------------|--------------|---------------|
| | Current Year | Previous Year |
| Opening Fair Value of Plan Assets | 535571 | 416022 |
| Expected Return on Plan Assets | 51342 | 42920 |
| Actuarial Gains / (Losses) | | Nil |
| Contribution by the Employer | 50843 | 76629 |
| Benefits Paid | Nil | Nil |
| Closing Fair Value of Plan Assets | 637756 | 535571 |

29.8 Foreign Currency Exposures

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:-

| Particulars | Foreign Currency (FC) | Amount in FC | Amount in ₹ |
|-----------------------------------|-----------------------|--------------|--------------|
| Trade Payable | USD | 345 (Nil) | 18764 (Nil) |
| | Euro | 9331 (Nil) | 648908 (Nil) |
| Creditors for Capital Expenditure | USD | 12150 (Nil) | 660830 (Nil) |

There are no hedged foreign currency exposure.

Figures in brackets relate to the Previous Year.

29.9 Disclosure of Loans/Advances in the nature of loans in terms of provision of clause 32 of Listing Agreement with Stock Exchanges:

| Particulars | Outstanding Balance as on 31.03.2013 | Max. Balance outstanding during the year | Outstanding Balance as on 31.03.2012 | Max. Balance outstanding during the previous Year |
|---|--------------------------------------|--|--------------------------------------|---|
| i. Loans & Advances in the nature of Loans to subsidiaries:- | Nil | Nil | Nil | Nil |
| ii. Loans & Advances in the nature of loans to Associates:- - Parsvnath HB Projects Private Limited | 10894883 | 353213269 | Nil | Nil |
| iii. Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 372A of the Companies Act,1956 | Nil | Nil | Nil | Nil |
| iv. Loans & Advances in the nature of loans to firms/companies in which directors are interested. | Nil | Nil | Nil | Nil |
| v. Investments by Loanee in the Shares of parent company and subsidiary company when the company has made loan or advance in the nature of Loan. | No. of Shares Nil | Amount Nil | No. of Shares Nil | Amount Nil |

29.10 Segment Reporting

Business Segments:

The company organized its operations in to two major businesses viz. Real estate and Hotel.

Geographical Segments:

The Company operates in a single geographical segment.

SEGMENT DISCLOSURES

| Particulars | Real Estate | Hotel | Unallocable | Total |
|---|-------------|--------------|-------------|--------------|
| Segment Revenue | | | | |
| External Revenue | 65423733 | 9216376 | 0.00 | 74640109 |
| | (172131901) | (0.00) | (0.00) | (172131901) |
| Inter segment Revenue | 0.00 | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) |
| Total Revenue | 65423733 | 9216376 | 0.00 | 74640109 |
| | (172131901) | (0.00) | (0.00) | (172131901) |
| Segment results before finance cost and tax | 41027932 | (21087659) | 27350339 | 47290612 |
| | (128854221) | (0) | (-1562965) | (127291256) |
| Less: Finance Cost | | | | 61821576 |
| | | | | (39558347) |
| Profit before tax | | | | (14530964) |
| | | | | (87732909) |
| Tax expenses | | | | 53561578 |
| | | | | (16833372) |
| Profit after Tax | | | | (68092542) |
| | | | | (70899537) |
| Segment Assets | 186495503 | 4487388122 | 181936546 | 4855820171 |
| | (193114043) | (3531766500) | (547871851) | (4272752394) |
| Segment Liability | 106096634 | 3079409578 | 286269213 | 3471775425 |
| | (108697866) | (2463497657) | (541115510) | (3113311033) |



| Particulars | Real Estate | Hotel | Unallocable | Total |
|--|-------------|-------------|-------------|-------------|
| Capital Expenditure | 0.00 | 886509506 | 0.00 | 886509506 |
| | (36581) | (905374435) | (0.00) | (905411016) |
| Segment depreciation | 217803 | 9302625 | 0.00 | 9520428 |
| | (1518374) | (0.00) | (0.00) | (1518374) |
| Non cash expenditure other than depreciation | 704591 | 130262 | 0.00 | 834853 |
| | (671250) | (0.00) | (0.00) | (671250) |

| (i) Stores and Supplies | | | | |
|-------------------------|---------------|------------|----------|----------|
| Imported | 0 | 0 | 0 | 0 |
| Indigenous | 718500 | 100 | 0 | 0 |
| Total | 718500 | 100 | 0 | 0 |

29.11 Detail of consumption of imported and indogenous items:

| Particulars | Current Year | | Previous Year | |
|-------------------|----------------|------------------|---------------|------------------|
| | Amount | % of consumption | Amount | % of consumption |
| (i) Raw Materials | | | | |
| Imported | 0 | 0 | 0 | 0 |
| Indigenous | 3467511 | 100 | 0 | 0 |
| Total | 3467511 | 100 | 0 | 0 |

29.12 The Board of directors of the company has approved the amalgamation of a company Pisces Portfolio Private Limited with the company w.e.f. the appointed date i.e 1st April 2012. These financial statements are on standalone basis and do not include the figures of Pisces Portfolio Private Limited as the scheme of amalgamation is subject to various statutory approvals.

29.13 Previous year figures have been regrouped/reclassified wherever necessary to confirm the current year presentaion.

AS PER OUR REPORT ATTACHED ON EVEN DATE

For P BHOLUSARIA & Co.
CHARTERED ACCOUNTANTS
FRN : 000468N

AMIT GOEL
PARTNER
(Membership No. 092648)

PLACE : GURGAON
DATED : 30.05.2013

FOR AND ON BEHALF OF THE BOARD

RAJESH JAIN
Director

ANIL GOYAL
Director

PRAVEEN GUPTA
Chief Financial Officer

ARPITA B MALHOTRA
Company Secretary



Company's Hotel Project- "**VIVANTA BY TAJ - GURGAON, NCR**" located at Plot No. 1, Sector 44, Gurgaon, Haryana

Folio No.
(To be filled in by the Shareholder)
No. of Shares



HB ESTATE DEVELOPERS LIMITED PROXY FORM

I/We
of.....
being a member(s) of **HB ESTATE DEVELOPERS LIMITED**, hereby appoint.....
.....
of or failing
him/her of
as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday, 21st day of November 2013 and at any adjournment thereof. As witness my hand/our hands this day of 2013.

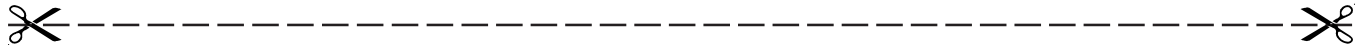


DP - Id :

Client - Id :

Signed by the Said :

NOTE : The proxy must be deposited at the Registered Office of the Company at Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon - 122 001 not less than 48 hours before the time of holding the Meeting.



HB ESTATE DEVELOPERS LIMITED ATTENDANCE SLIP

19TH ANNUAL GENERAL MEETING

Time : 11.00 A.M., Thursday, 21st day of November 2013
Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name

Address in full.....

FULL NAME(S) OF THE PERSON ATTENDING THE MEETING AS A PROXY/SHAREHOLDER(S)
.....

I/We hereby record my/our presence at the 19th Annual General Meeting held on 21st November 2013 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana.

Folio No./DP - Id: No. of Shares :

Client - Id :

Signature(s).....

Members may please note that the Auditorium Authorities do not permit carrying of bags/articles/snack packets etc. inside the meeting hall. The Company will not make any arrangements for safe keeping of articles etc. outside the Hall. Members may make their own arrangements which shall be solely at their risk and cost and the Company will in no way be responsible for any loss/theft of articles etc.

BOOK POST

If Undelivered please return to :-



HB ESTATE DEVELOPERS LIMITED

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurgaon - 122 001, Haryana

Printed by : First Impression, 9811224048