





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



**BOARD OF DIRECTORS**

|                         |          |
|-------------------------|----------|
| <b>Mr. Lalit Bhasin</b> | Chairman |
| <b>Mrs. Asha Mehra</b>  | Director |
| <b>Mr. Anil Goyal</b>   | Director |
| <b>Mr. J.M.L. Suri</b>  | Director |
| <b>Mr. Rajesh Jain</b>  | Director |
| <b>Mr. Luv Malhotra</b> | Director |

**COMPANY SECRETARY**

Mrs. Radhika Khurana

**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, Gurugram - 122 001, Haryana  
Ph : 0124-4675500, Fax : 0124-4370985  
Email : corporate@hbestate.com  
CIN: L99999HR1994PLC034146

**WEBSITE**

<http://www.hbestate.com>

**REGISTRAR & SHARE TRANSFER AGENT**

**RCMC Share Registry Pvt. Ltd.**

B-25/1, First Floor,  
Okhla Industrial Area, Phase-II, New Delhi – 110 020  
Phone : 011 – 26387320, 26387321, 26387323  
Fax : 011 - 26387322  
E-mail: shares@rcmdelhi.com

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 23<sup>RD</sup> ANNUAL GENERAL MEETING OF HB ESTATE DEVELOPERS LIMITED WILL BE HELD AS FOLLOWS:**

**NOTES:**

(Note: The Company is providing facility for voting by electronic means and the business of this meeting may be transacted through electronic voting system.)

**Day : Friday**  
**Date : 29<sup>th</sup> September, 2017**  
**Time : 11.00 A.M.**  
**Place : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram (Haryana) - 122 001.**  
 (Please see route map provided in this Annual Report)

to transact the following business/(s):

**AS ORDINARY BUSINESS:**

- To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Anil Goyal (DIN 00001938), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint M/s. G.C. Aggarwal & Associates, Chartered Accountants (Firm Registration No. 017851N) as the Statutory Auditors of the Company and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013 (the Act), if any, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendations of the Audit Committee and the Board of Directors, approval of members be and is hereby accorded to the appointment of M/s G.C. Aggarwal & Associates, Chartered Accountants, New Delhi (Firm Registration No: 017851N) as the Statutory Auditors of the Company to hold office from the conclusion of this 23<sup>rd</sup> Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company, for a term of 5 years, subject to ratification by the members at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company."

**AS SPECIAL BUSINESS:**

- Entering into Related Party Transaction with HB Portfolio Limited**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of 188 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment / modifications thereto or re-enactment thereof for the time being in force), Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Company's Policy on Related Party Transactions and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board), consent of the members be and is hereby accorded to the Board of Directors to enter into a contract(s) / arrangement(s) / transaction(s) with HB Portfolio Limited, a related party for selling the property developed and owned by the Company situated at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram - 122001, Haryana having Plot Area admeasuring 2220 Sq. Mtrs. together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises ("the property") on, as is where is basis, for such consideration as may be determined by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to sell the said property subject to the condition that the consideration should not be less than Rs. 30 Crores (Rupees Thirty Crores).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

**BY ORDER OF THE BOARD  
 For HB ESTATE DEVELOPERS LIMITED**

Sd/  
**RADHIKA KHURANA**  
 (Company Secretary)  
 Membership No.: ACS-32557

**Place : Gurugram**  
**Date : 29.05.2017**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**

PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A PROXY APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

- An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and form part of this Notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from **23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017** (Both days inclusive).
- The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 10,48,611/- (**Rupees Ten Lacs Forty Eight Thousand Six Hundred Eleven Only**) to IEPF on **27<sup>th</sup> September, 2016** being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31<sup>st</sup> March, 2009.

The new IEPF Rules mandate the companies to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to the demat account of IEPF Authority. However, the Shareholders are entitled to claim their Shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

In accordance with the aforesaid IEPF Rules, the Company has already sent notice to all the Shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.

The detail of Unpaid / Unclaimed Dividend lying with the Company as on the date of the last Annual General Meeting in respect of the financial years from 2009 to 2015 is available on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company; [www.hbestate.com](http://www.hbestate.com)

- The 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 dividends 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, RCMC Share Registry Pvt. Ltd. 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 on the Book Closure date(s), the data of which will be received through Depositories will be used by the Company for printing on 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 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.

- The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company's Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd.
- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Corporate Members intending to send their authorised representative to attend the Annual General Meeting, Pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly Certified Copy of the Board Resolution authorizing him to attend and vote on their behalf at the Meeting.
- Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.



**10. Members are requested to:**

- (a) Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely,

**RCMC Share Registry Pvt. Ltd.**  
**B-25/1, First Floor,**  
**Okhla Industrial Area, Phase-II,**  
**New Delhi – 110 020**  
**Phone: 011 – 26387320, 26387321, 26387323**  
**Fax: 011 – 26387322**  
**E-mail: shares@rcmcdelhi.com**

Members whose Shareholding is in electronic mode are requested to direct change of address notifications and bank particulars for receiving the Dividend, if declared, through electronic credit under ECS, to their respective Depository Participants.

- (b) Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.

**11. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the 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 136 of the Companies Act, 2013. The Notice of Annual General Meeting and the copies of Audited Financial Statements, Director's Report, Auditors Report etc. will also be displayed on the website of the Company, [www.hbestate.com](http://www.hbestate.com)**

The Members holding Shares in electronic mode are therefore requested to ensure that their email addresses updated with the Depository Participants. Members holding Shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at the address mentioned in 9(a) above quoting their folio number(s).

Copies of the Annual Report are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report including Attendance Slip and Proxy Form are being sent by the permitted mode.

**12. Voting through electronic means:**

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide the Members with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- (ii) The Company has engaged the services of Karvy Computershare Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 22<sup>nd</sup> September, 2017**, may cast their vote by remote e-voting / at the meeting.
- (v) Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the **cut-off date i.e. 22<sup>nd</sup> September, 2017** may obtain the login Id and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- (vi) **The Remote e-voting period shall commence on Tuesday, 26<sup>th</sup> September, 2017 (09.00 A.M) and ends on Thursday, 28<sup>th</sup> September, 2017 (05.00 P.M).** Thereafter, the Remote e-voting module shall be disabled by Karvy for voting.
- (vii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by Remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (viii) Mr. Arun Kumar Gupta, Company Secretary in Whole-time Practice (Membership No.: 21227, C.P. No.: 8003) failing him Mr. Kapoor Chand Garg, Company Secretary in Whole-time Practice (Membership No.: 7145, C.P. No.: 7829) have been appointed as the Scrutinizer for conducting the remote e-voting & polling process in a fair and transparent manner.
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.

- (x) The Company shall submit to the Bombay Stock Exchange Limited (BSE), within forty eight hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, [www.hbestate.com](http://www.hbestate.com) and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.

- (xi) In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.

- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.

**➤ In case a Member receives notice through e-mail from Karvy [for Members whose email IDs are registered with the Company / Depository Participants]:**

- (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (b) Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character ( @, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number for HB Estate Developers Limited.
- (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI. etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [aruncs.gupta@gmail.com](mailto:aruncs.gupta@gmail.com) with a copy to Karvy at e-mail ID: [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

**➤ In case a Member receives Notice in physical form [for Members whose email IDs are not registered with the Company / Depository Participants]:**

- (a) User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
- (b) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

- 13.** All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
- 14.** The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.
- 15.** Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] are as under:


**PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING**

(Refer Item No. 2 of this Notice)

|  |   |
|--|---|
| <b>Name of the Director</b>  | Mr. Anil Goyal  |
| <b>Directors Identification Number (DIN)</b>   | 00001938  |
| <b>Date of Birth</b>   | 22 <sup>nd</sup> February, 1959   |
| <b>Date of Appointment</b>   | 20 <sup>th</sup> September, 1994  |
| <b>Profile/ Expertise in Specific functional Areas.</b>  | Mr. Anil Goyal is a fellow member of the Institute of Chartered Accountants of India. He brings with him more than 3 decades of expertise in the fields of finance, taxation, investment, banking, corporate restructuring and strategic planning.<br>He is also a member of the Stakeholder Relationship Committee, of the Board of Directors.   |
| <b>Qualifications</b>  | Chartered Accountant  |
| <b>List of Directorship in other Listed entities.(As on 31<sup>st</sup> March, 2017)</b>           | 1. HB Portfolio Limited<br>2. HB Stockholdings Limited<br>3. HB Leasing and Finance Company Limited<br>4. RRB Securities Limited  |
| <b>Membership of Committee of the Board in other Listed entities.<br/>(As on 31st March, 2017)</b> | <b>Audit Committee</b><br>1. HB Stockholdings Limited<br><b>Stakeholder Relationship Committee</b><br>1. RRB Securities Limited<br>2. HB Portfolio Limited<br>3. HB Leasing and Finance Company Limited<br>4. HB Stockholdings Limited<br><b>Nomination and Remuneration Committee</b><br>1. RRB Securities Limited<br><b>Corporate Social Responsibility Committee</b><br>1. HB Portfolio Limited<br>2. HB Stockholdings Limited |
| <b>Shares held by the Director</b>   | NIL   |
| <b>Relationship with any Director(s) of the Company</b>  | NIL   |

**BY ORDER OF THE BOARD  
For HB ESTATE DEVELOPERS LIMITED**

Sd/-  
**RADHIKA KHURANA**  
(Company Secretary)  
Membership No.: ACS-32557

Place : Gurugram  
Date : 29.05.2017

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**
**ITEM No. 4**

HB Portfolio Limited is a Group Company of HB Estate Developers Limited which is primarily engaged in the business of investment of securities and to undertake other financial services.

The approval of the Shareholders is sought for entering into contract(s) / arrangement(s) / transaction(s) with HB Portfolio Limited for selling the property developed and owned by the Company (held as stock in trade) situated at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram – 122001, Haryana having Plot Area admeasuring 2220 Sq. Mtrs. together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises ('the property') on, as is where is basis. The said Property has one Basement, Stilt, Five Floors and Mumty with total covered area of approx. 3500 Sq. Mtrs. The consideration shall be determined on the basis of valuation to be done by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties subject to the condition that the consideration should not be less than Rs. 30 crores (Rupees Thirty Crores).

As per the provisions of Sec 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, except with the prior approval of the Company by a resolution, a Company shall not enter into a transaction with respect to selling or otherwise disposing of or buying property of any kind amounting to ten percent or more of net worth of the Company or Rupees One Hundred Crore, whichever is lower. Further, Sec 188 provides that no member of the Company shall vote on such resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

As per the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Company's Policy on Related Party Transactions, a transaction with a related party shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per its last audited financial statements.

The said transaction to be entered into by the Company would fall under the definition of the Material Related Party Transaction. The Listing Regulations requires that all material related party transactions shall require approval of the Shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

**Necessary Disclosures required under Sec 188 of the Companies Act, 2013 is given below:**

| <b>Particulars</b>   | <b>Information</b>   |
|--|--|
| <b>Name of the Related Party</b>   | HB Portfolio Limited   |
| <b>Name of Director(s) or Key Managerial Personnel who is related and Nature of their relationship</b> | Mr. Lalit Bhasin, Director (Chairman) is also a Director (Chairman) being the Promoter and major Shareholder of HB Portfolio Limited.<br>Mr. Anil Goyal, Director, Mr. JML Suri, Director are also on the Board of HB Portfolio Limited. Mr. Suri is also holding 500 Equity Shares of HB Portfolio Limited.   |
| <b>Nature, Material terms and particulars of the contract or arrangement</b>                           | To sell the property developed and owned by the Company together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises on, as is where is basis, for such consideration as may be determined by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties. |
| <b>Monetary Value</b>  | Not less than ₹ 30 Crores (Rupees Thirty Crores).  |

Mr. Lalit Bhasin, Mr. Anil Goyal, Mr. JML Suri, Directors are deemed interested in the said transaction. None of the other Directors and Key Managerial Personnel or their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company. The Board recommends the Resolution at Item No. 4 of the Notice for the approval of the Members.

**BY ORDER OF THE BOARD  
For HB ESTATE DEVELOPERS LIMITED**

Sd/-  
**RADHIKA KHURANA**  
(Company Secretary)  
Membership No.: ACS-32557

Place : Gurugram  
Date : 29.05.2017



**DIRECTORS' REPORT**

To the Members,

Your Directors have the pleasure to present the 23<sup>rd</sup> Annual Report of your Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017.

**FINANCIAL RESULTS**

The summarized financial results of the Company during the year under review are as under:-

(₹ In Lacs)

| PARTICULARS                            | Year Ended       | Year Ended |
|--|------------------|------------|
|  | 31.03.2017       | 31.03.2016 |
| <b>Total Turnover</b>                  | <b>7471.96</b>   | 7014.49    |
| <b>Gross Profit/ (Loss)</b>            | <b>1799.67</b>   | 1747.30    |
| <b>Add/ (Less) : Exceptional Items</b> | <b>9.87</b>      | 37.90      |
| <b>Less :</b>                          |                  |            |
| (a) Depreciation                       | <b>1441.66</b>   | 1504.66    |
| (b) Finance Cost                       | <b>3029.68</b>   | 3050.14    |
| (c) Deferred Tax Charge                | <b>237.65</b>    | 313.35     |
| <b>Net Profit/(Loss)</b>               | <b>-2899.45</b>  | -3082.95   |
| <b>Appropriations :</b>                |                  |            |
| General Reserve                        | <b>0</b>         | 0          |
| Proposed Dividend                      | <b>0</b>         | 0          |
| Tax on Dividend                        | <b>0</b>         | 0          |
| Balance Brought Forward                | <b>-13829.95</b> | -10746.99  |
| Addition on Account of Amalgamation    | <b>0</b>         | 0          |
| <b>Accumulated Profits</b>             | <b>-16729.40</b> | -13829.94  |

**PERFORMANCE REVIEW & OUTLOOK**

The total income for the year under review was ₹ 7471.96 lakhs as against 7014.49 lakhs in the previous year.

The total turnover of the hotel unit of the Company, Vivanta By Taj, Gurgaon-NCR, for the financial year under review was ₹ 6946.66 lakhs as compared to ₹ 6747.45 lakhs during the previous year.

During the financial Year 2016-2017 the Company has reported higher Gross Profit amounting to ₹ 1799.67 lakhs compared to ₹ 1747.30 lakhs in the previous year. However Net Loss (after deduction of exceptional items, depreciation, finance cost and deferred tax charge) amounting to ₹ 2899.45 lakhs compared to ₹ 3082.95 lakhs in the previous year has been reported.

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

**TRANSFER OF AMOUNT TO RESERVE**

The Company does not propose to transfer any amount to reserves.

**DIVIDEND**

In view of the brought forward and current year losses, your directors regret their inability to recommend dividend for the year under review.

**SCHEME OF ARRANGEMENT**

The Board of Directors in their meeting held on 10th February, 2016 had approved a Composite Scheme of Arrangement ("the Scheme") between HB Estate Developers Limited ("the Company"), HB Stockholding Limited and HB Portfolio Limited and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013, subject to various approvals as may be required. The Appointed Date(s) in the Scheme are 01<sup>st</sup> April, 2015, 02<sup>nd</sup> April, 2015 and 03<sup>rd</sup> April, 2015 as particularly defined in the Scheme of Arrangement.

The Company received NIL Observation Letter / No Objection Certificate dated 23<sup>rd</sup> June, 2016 from the Bombay Stock Exchange (BSE Limited) in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of the order dated 16<sup>th</sup> September, 2016 passed by the Hon'ble High Court of Punjab & Haryana at Chandigarh, the Court Convened Meeting (CCM) of the Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company was held on 10<sup>th</sup> December, 2016. The Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company accorded their necessary approval to the Scheme with the requisite majority. The Company has also received requisite approval to the Scheme from its Public Equity Shareholders by way of Postal Ballot including e-voting, result of which was declared on 12<sup>th</sup> December, 2016 pursuant to SEBI Circular bearing No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015.

The Company Petition has been duly transferred from the Hon'ble High Court of Punjab and Haryana, Chandigarh to the National Company Law Tribunal, Chandigarh Bench at Chandigarh as per the provisions of Sec 230 to 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Companies (Transfer of Pending Proceedings) Rules, 2016 notified by the Ministry of Corporate Affairs vide its Notification Dated 07<sup>th</sup> December, 2016 which came into force with effect from 15<sup>th</sup> December, 2016.

The matter came up for hearing on 11<sup>th</sup> May, 2017 before the National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh. The Hon'ble Bench of NCLT admitted the Second Motion Application filed by the Company and passed an order for issuing Notice along with copy of Petition and Scheme to various authorities. The next date of hearing has been fixed for 20<sup>th</sup> July, 2017.

The Copy of Scheme of Arrangement along with all other documents are available on the website of the Bombay Stock Exchange (BSE Limited), <http://www.bseindia.com> and also on the Company's website having following web link, [http://www.hbestate.com/Scheme\\_of\\_Arrangement.html](http://www.hbestate.com/Scheme_of_Arrangement.html)

**SHARE CAPITAL**

The paid up Share Capital of the Company as on March 31, 2017 was Rs. 96,13,82,870 consisting of 1,61,38,287 Equity shares of Rs. 10 each and 80,00,000 Preference Shares of Rs. 100 each. During the year under review, the Company has not issued shares with differential rights for voting, dividend or otherwise nor granted stock options or sweat equity.

The Shareholding of Directors of the Company (including Promoter Director) is given in the Corporate Governance Report forming part of this report.

Equity Shares of your Company are listed on Bombay Stock Exchange and Preference Shares of your Company are not listed on any Stock Exchange.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes of the Financial Statements.

**PUBLIC DEPOSITS**

The Company has not accepted any Deposits from the Public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company.

**SIGNIFICANT AND OTHER MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators or Courts or Tribunal during the year under review which has an impact on the Going Concern status and Company's operations in future.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to sub-section (3) (c) & (5) of Section 134 of the Companies Act, 2013, it is hereby stated that:

- in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- the accounting policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2016-2017 and of the profit or loss for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual financial statements for the year ended 31<sup>st</sup> March, 2017, have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and operating effectively;
- that system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

**(i) Subsidiaries**

The Company does not have any Subsidiary and no Company has become or ceased to be Company's Subsidiary during the year under review.

The Board of Directors has approved a Policy for Determining Material Subsidiaries in compliance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy has been uploaded on the website of the Company, [www.hbestate.com](http://www.hbestate.com) having following web link, [www.hbestate.com/Investor-Centre/Corporate-Governance](http://www.hbestate.com/Investor-Centre/Corporate-Governance)

**(ii) Joint Ventures**

The Company is not having any Joint Venture business and no Company has become its Joint Venture during the year under review.

**(iii) Associate Companies**

In terms of Sec 2(6) of the Companies Act, 2013, Parsvnath HB Projects Pvt. Ltd. is the Associate Company. A separate statement containing the salient features of the Financial Statement of the Company's Associates is being provided in **Form AOC-1**.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**(i) Appointment / Reappointment / Resignation of Directors and KMP**

As per the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Anil Goyal, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment. The Board of Directors recommends his re-appointment.

The information on the particulars of Director eligible for appointment in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

Mr. Rajesh Singh Chahar has resigned from the position of the Company Secretary with effect from 31<sup>st</sup> January, 2017. In pursuance to the provisions of Section 203 read with Rule 8 of Companies (Appointment and Remuneration) Rules, 2014 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, the Board of Directors in the Board Meeting held on 29<sup>th</sup> May, 2017 has appointed Mrs. Radhika Khurana as the Company Secretary and Compliance Officer, being designated as Key Managerial Personnel of the Company.



**(ii) Independent Directors Declaration**

Mr. Rajesh Jain, Mrs. Asha Mehra and Mr. Luv Malhotra are Independent Directors on the Board of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013, and Regulations 16 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(iii) Number of meeting(s) of the Board**

During the year under review, there were Five (5) Board Meetings. The details of the number of meetings of the Board held during the Financial Year 2016-2017 forms part of Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**(iv) Nomination and Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said Policy is marked as “Annexure - III” which is annexed hereto and forms part of the Director’s Report.

**(v) Board Diversity**

The Board of Directors on the recommendations of the Nomination and Remuneration Committee has adopted a Policy on Diversity of Board of Directors in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(vi) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual performance evaluation of its own performance and of all the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

**(vii) Remuneration of the Director / KMP and Particulars of Remuneration**

The provisions of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable, as there are no such employee who were drawing / in receipt of remuneration of prescribed amount during the period under review.

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors / Key Managerial Personnel (KMP) and Employees of the Company is furnished hereunder:

- (a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, and
- (b) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

| Sl. No. | Name of the Director/KMP | Designation                              | Ratio of Remuneration of each Director /to median remuneration of employees | % Increase in remuneration in the financial year 2016-17 |
|---------|--------------------------|--|---|--|
| 1.      | Mr. Lalit Bhasin         | Director (Non-executive)                 | N.A.  | N.A.   |
| 2.      | Mr. Anil Goyal           | Director (Non-executive)                 | N.A.  | N.A.   |
| 3.      | Mr. Jag Mohan Lal Suri   | Director (Non-executive)                 | N.A.  | N.A.   |
| 4.      | Mr. Rajesh Jain          | Director (Non-executive)                 | N.A.  | N.A.   |
| 5.      | Mrs. Asha Mehra          | Director (Non-executive)                 | N.A.  | N.A.   |
| 6.      | Mr. Luv Malhotra         | Director (Non-executive)                 | N.A.  | N.A.   |
| 7.      | Mr. Praveen Gupta        | Chief Financial Officer                  |   | Nil  |
| 8.      | Mr. Rajesh Singh Chahar* | Company Secretary and Compliance Officer |   | Nil  |

**Note:** No Director received any remuneration other than sitting fee during the financial year 2016-17

\*Mr. Rajesh Singh Chahar resigned from the position of Company Secretary and Compliance Officer w.e.f. 31<sup>st</sup> January, 2017.

- (c) The percentage increase in the median remuneration of employees in the financial year: **Nil**
- (d) The number of permanent employees on the rolls of the Company: **17 (seventeen) employees on the Company rolls and 225 employees on the rolls of Vivanta by Taj, Gurgaon (Hotel Unit of the Company) – operated by The Indian Hotels Company Limited as on 31<sup>st</sup> March, 2017**
- (e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **NIL**

- (f) The key parameters for any variable component of remuneration availed by the directors :

**Not Applicable**

- (g) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report confirming compliance(s) forms an integral part of this report.

**CORPORATE GOVERNANCE REPORT**

A Separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report and the Certificate from P. Bholusaria & Co., Chartered Accountants confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**RELATED PARTY TRANSACTIONS**

The Related Party Transactions that were entered during the financial year under review were on arm’s length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions entered into by the Company during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Policy on Related Party Transactions, as approved by the Board, has been uploaded on the website of the Company, [www.hbestate.com](http://www.hbestate.com) having following web link, [www.hbestate.com/Investor centre/Corporate Governance](http://www.hbestate.com/Investor%20centre/Corporate%20Governance).

**PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY**

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 14<sup>th</sup> February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

- (a) documents whose preservation shall be permanent in nature;
- (b) documents with preservation period of not less than eight years after completion of the relevant transactions.

The said Policy is available on the website of the Company having following web link, [www.hbestate.com/Investor centre/Corporate Governance](http://www.hbestate.com/Investor%20centre/Corporate%20Governance).

**VIGIL MECHANISM - WHISTLE BLOWER POLICY**

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company, [www.hbestate.com](http://www.hbestate.com) and the web link for the same is [www.hbestate.com/Investor centre/Corporate Governance](http://www.hbestate.com/Investor%20centre/Corporate%20Governance).

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Board of Directors has adopted the Risk Management Policy which sets out the framework for the management of risks faced by the Company in the conduct of its business to ensure that all business risks are identified, managed and monitored. The contents of Risk Management Policy have been included in Management Discussion and Analysis forming part of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rules 8 of the Companies (Accounts) Rules 2014 in respect of conservation of energy and technology absorption are not applicable to your Company.

During the year under review, foreign exchange earnings were ₹ 2637.41 lakhs. The foreign exchange outgo during the said period was ₹ 6.16 lakhs towards payment of Professional and Technical fees and ₹ 78.94 lakhs towards advertisement and other expenses.

**DISCLOSURE AS PER THE SEXUAL PREVENTION OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and matters connected therewith incidental thereto covering all the aspects as contained under “The Sexual Harassment of Women at workplace and matters connected therewith or incidental thereto covering all aspects as contained under “The Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013”.

During the financial year 2016-17, no complaint was received under the policy. The women employees were made aware about the provisions of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under and the provision of Internal Complaint Policy of the Company.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the Code of Conduct for regulating, monitoring and reporting of trading by insiders and other connected persons, in compliance with Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct lays down guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company, as well as the consequences of violation. The Code of Conduct has been formulated for prevention of Insider Trading and to maintain the highest standards of dealing in Company Securities.



**INTERNAL CONTROL SYSTEMS**

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures. The adequacy of internal financial control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

**INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has a comprehensive Internal Financial Control system commensurate with the size and scale of its operations. The system ensures the reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The policies and procedures adopted by the company ensures the orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors and timely preparation of reliable financial information.

**AUDITORS****(i) Statutory Auditors**

The term of M/s. P. Bholusaria & Co., Chartered Accountants, New Delhi (Firm Registration No.: 000468N), existing Statutory Auditors of the Company shall expire at the ensuing Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013.

On the recommendations of the Audit Committee, the Board of Directors in their meeting held on 29<sup>th</sup> May, 2017 considered and recommended for the appointment of M/s G.C. Agarwal & Associates, Chartered Accountants (FRN: 017851N) as the new Statutory Auditors of the Company for a term of five (5) consecutive years subject to the approval of the Members to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting until the conclusion of 28<sup>th</sup> Annual General Meeting of the Company. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for appointment.

M/s G.C. Agarwal & Associates, Chartered Accountants, Delhi (FRN 017851N) has been associated with the CA profession since last Thirty Three (33) years. The Firm is engaged in the Audit of Private and Public Limited Companies, Societies and various other entities. These audits include Statutory & Tax Audits, Internal and Management and System Audits, Stock Audits and other Special Assignments. The Firm is holding a Peer Review Certificate issued by The Institute of Chartered Accountants of India, New Delhi.

Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements.

**(ii) Internal Auditors**

M/s. Marv & Associates LLP (Formely M.K. Choudhary & Co.), Chartered Accountants, New Delhi are the Internal Auditors of the Company and the reports are reviewed by the Audit Committee periodically in its meetings.

**(iii) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A.N. Kukreja of M/s. A. N. Kukreja & Co., to conduct the Secretarial Audit of the company for the financial year 2016-2017. The Report of the Secretarial Audit in Form MR-3 is annexed as "**Annexure- I**".

Observation(s) made by the Secretarial Auditor:

- (a) The Company does not have a Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director, as required under Section 203 of the Companies Act, 2013.

**Comment:** The management is searching for a suitable candidate for the post of Whole Time Director/ Chief Executive Officer of the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board has constituted a Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013. The Company has incurred average net loss for immediately preceding three financial years, hence the Company is not required to spend any amount towards CSR activities during financial year 2016-2017. The CSR Policy has been uploaded on the website of the Company - [www.hbestate.com](http://www.hbestate.com), Web link- [www.hbestate.com/Investor centre/Corporate Governance](http://www.hbestate.com/Investor%20centre/Corporate%20Governance) and is annexed as "**Annexure - II**" and forms part of the Director's Report.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in Form MGT-9 as per Section 92(3) of the Companies Act, 2013 and Rule 12 of the companies (Management and Administration) Rules, 2014, is marked as "**Annexure - IV**" which is annexed hereto and forms part of the Director's Report.

**ACKNOWLEDGMENTS**

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 the contribution and the trust and confidence reposed by the shareholders in the management of the company.

**FOR AND ON BEHALF OF THE BOARD**  
**HB ESTATE DEVELOPERS LIMITED**

Sd/-  
**LALIT BHASIN**  
(Chairman)  
(DIN: 00002114)

Place : Gurugram  
Date : 29.05.2017



**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

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

**To,  
The Members of  
HB Estate Developers Limited.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HB Estate Developers Limited - CIN: L99999HR1994PLC034146** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **HB Estate Developers Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31<sup>st</sup> March, 2017** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on **31<sup>st</sup> March, 2017** according to the provisions of:
  - (i). The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
  - (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
  - (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;\*
    - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;\*
    - (g) The Securities and Exchange Board of India ( Issue and Listing of Debt Securities) Regulations, 2008;\*
    - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;\* and
    - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.\*
  - (vi). The Other Laws applicable specifically to the Company (including its Project: Vivanta by Taj, Gurgaon) are:
    - (a). The Punjab Shops and Commercial Establishments Act, 1958 as adopted by State of Haryana; approval/Certificate for Fire Safety and NOCs from local bodies.
    - (b). Indian Boilers Act, 1923.
    - (c). Prevention of Food Adulteration Act, 1954.
    - (d). Food Safety and Standards Act, 2006.
    - (e). Legal Metrology Act, 2009 and applicable Rules.
    - (f). The Environment (Protection Act) 1986.
    - (g). Air (Prevention and Control of Pollution) Act, 1981.
    - (h). Water (Prevention and Control of Pollution) Act, 1974.
    - (i). The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

\*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv), SEBI Regulations listed at sub-para (v) Serial Nos. (e), (f), (g), (h) and (i) above are not applicable to the Company for 2016-17 as there were no corporate decisions/actions attracting these regulations.

2. We have also examined the compliances with the applicable Regulations/Standards of the following:
  - (i). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Bombay Stock Exchange Ltd.; and
  - (ii). Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Standards/Guidelines, etc. mentioned above subject to the following observations:
  - (a) *The Company did not have Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director, as required under Section 203 of the Companies Act, 2013.*
4. We further report that:
  - (a) The Board of Directors of the Company is duly constituted with all Non- Executive Directors, including a Woman Director and Independent Directors except Executive Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - (c) Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations.

This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

**For A.N. Kukreja & Co.  
Company Secretaries**

**Sd/-  
A.N. Kukreja  
(Proprietor)  
FCS 1070; CP 2318**

**Place : New Delhi  
Date : 29.05.2017**

Annexure 'A'

**To,  
The Members of  
HB Estate Developers Limited**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

**For A.N. Kukreja & Co.  
Company Secretaries**

**Sd/-  
A.N. Kukreja  
(Proprietor)  
FCS 1070; CP 2318**

**Place : New Delhi  
Date : 29.05.2017**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

**1. PREAMBLE:**

The Board of Directors (the “Board”) of HB Estate Developers Limited (the “Company” or “HBEDL”) in their meeting held on 10th February, 2015 has approved the following Corporate Social Responsibility Policy (CSR Policy) on the recommendation of the Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time. This Policy is effective from 10<sup>th</sup> February, 2015.

**2. SHORT TITLE & APPLICABILITY:**

- 2.1 The CSR Policy of HB Estate Developers Limited (“the Company”) encompasses its philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.
- 2.2 This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different segments of the Society.

**3. THE COMPANY’S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY:**

- 3.1 The approach of the Company towards Corporate Social Responsibility would be oriented to identify the activities in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner. The Company will provide financial assistance in the form of grant-in-aid assistance and corpus fund support etc. to support, supplement and improve the quality of life of different segments of the Society.
- 3.2 As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the social welfare activities.
- 3.3 The Companies Act, 2013 provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conduct CSR activities in the State of Haryana and such other place(s) in India wherein the Company has/will have its operations.
- 3.4 The Company may also collaborate with other Companies for undertaking CSR activities in such manner as the CSR Committee may decide in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**4. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY:**

The Company would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the following activities, which shall be taken up strategically, in a focused manner within India only to the extent possible and allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations as may be prescribed in this regard, including any modification (s) thereof.

- (i) Eradicating hunger, poverty, malnutrition, promoting preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promotion of education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the different abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historically importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependants;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister’s National Relief Fund or any other fund set up by

the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government;
- (x) Rural development projects;
- (xi) Such other matters as may be prescribed by the Central Government and approved by the Board of Directors / CSR Committee, as the case may be.

**5. IMPLEMENTATION MECHANISM**

The Company would consider the following broad parameters while identifying/selecting the schemes/projects:

- 5.1 The assistance under CSR activities may be in the form of donation, grant-in-aid assistance and corpus fund support so as to create social impact and visibility.
- 5.2 While implementing the identified activities, time frames and milestones may be predefined.
- 5.3 The CSR projects may be based on fundamentals of sustainable development.
- 5.4 In line with the Companies Act, 2013, donation based assistance/ grants, should not be less than limits as may be prescribed by the Central Government/ Ministry of Corporate Affairs from time to time.
- 5.5 Proper screening, checks and balances shall be ensured while sanctioning the CSR proposals.

**6. PLANNING AND COORDINATION**

- 6.1 The CSR Committee will prepare an annual plan for CSR activities for each year and will place the same before the Board of Directors for approval, as the case may be.
- 6.2 The focus of benefits will be in line with the activities mentioned in this document and as per programs, projects and schemes approved.

**7. MONITORING AND EVALUATION**

- 7.1 Regular update on the CSR initiatives undertaken and / or to be undertaken shall be given to the CSR Committee. The Company may also depute one or more employees who shall monitor the CSR initiatives of the Company and report the same to the CSR Committee. The impact of the CSR activities may be quantified to the extent possible. The Chairman of CSR Committee shall draw a time frame from the date of initiation. In case of any delay noticed while monitoring the CSR initiatives, remedial measures shall be taken for timely completion of the activities.
- 7.2 The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) as may be deemed expedient for the purpose of accomplishments of CSR activities.

**8. ALLOCATION OF FUNDS**

A total allocation of amount as prescribed by the Companies Act, 2013 and approved by the Board will be earmarked every year for implementation of CSR activities.

**9. REPORTING**

An annual report of the activities undertaken under the CSR initiatives will be prepared as per specified format and the same shall be submitted to the Board of Directors for its inclusion in their Board’s Report and on the website of the Company.

**10. GENERAL**

- 10.1. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company;
- 10.2 In case of any doubt with regard to any provision of this Policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee.
- 10.3. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Companies Act, 2013, rules and regulations as may be prescribed by the Central Government, from time to time.
- 10.4. The CSR Committee reserves the right to modify, cancel, add, or amend the Policy at any time subject to the approval of the Board of Directors.

## NOMINATION AND REMUNERATION POLICY

### 1. PREAMBLE:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee (“NRC/Committee”) and approved by the Board of Directors of the Company at their meeting held on 10<sup>th</sup> February, 2015 in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement (effective from 01st October, 2014).

This Policy has been suitably amended and re-adopted by the Board of Directors in their meeting held on 10<sup>th</sup> February, 2016 in terms of Regulation 19 read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) which came into force w.e.f 01st December, 2015.

### 2. OBJECTIVE:

The Objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP and Senior Management. The Key Objectives of the Committee would be:

- 2.1. To guide the Board in relation to appointment and removal of Directors, KMP and Senior Management.
- 2.2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, KMP and Senior Management.
- 2.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 2.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 2.5. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- 2.6. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 2.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 2.8. To develop a succession plan for the Board and to regularly review the plan.
- 2.9. To assist the Board in fulfilling responsibilities.
- 2.10 To Implement and monitor policies and processes regarding principles of corporate governance.

### 3. DEFINITIONS:

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company both executive and non-executive.

“Key Managerial Personnel (KMP)” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

“Senior Management” means Senior Management means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT:

#### A. Appointment Criteria and Qualifications

- (I) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (II) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (III) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### B. Term / Tenure

##### (I) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.

##### (II) Independent Director:

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in

the Board's report.

- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of five (5) years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### C. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### D. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### E. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 5. REMUNERATION TO DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / SENIOR MANAGEMENT PERSONNEL:

The Committee to recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management Personnel of the Company.

- a) The Remuneration / Compensation / Commission etc. to be paid to Managing Director, Whole-time/Executive Director, Non-Executive Director / Independent Directors, KMP shall be governed as per applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b) The Non-Executive / Independent Director may receive remuneration by way of sitting fee for attending the meeting of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c) The remuneration payable to Senior Management Personnel shall be governed by the Company's HR Policy.

### 6. DUTIES IN RELATION TO NOMINATION MATTERS:

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation;
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- f) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- g) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- h) Delegating any of its powers to one or more members of the Committee;
- i) Recommend any necessary changes to the Board; and
- j) Considering any other matters, as may be requested by the Board.

### 7. DUTIES IN RELATION TO REMUNERATION MATTERS:

The duties of the Committee in relation to remuneration matters include:

- a) Considering and determining the remuneration based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) Approving the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) Delegating any of its powers to one or more members of the Committee.
- d) Considering any other matters as may be requested by the Board.

### 8. REVIEW AND AMENDMENT:

The Board of Directors on the recommendations of the Nomination and Remuneration Committee shall alter, amend or modify this Policy from time to time in line with the requirement of the SEBI Guidelines, applicable law, rules, regulations etc. which may be amended and applicable from time to time.



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

**As on the financial year ended on 31<sup>st</sup> March, 2017**

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

**I. REGISTRATION & OTHER DETAILS:**

|      |  |   |
|------|--|---|
| i.   | CIN  | L99999HR1994PLC034146   |
| ii.  | Registration Date  | 20th September, 1994  |
| iii. | Name of the Company  | HB Estate Developers Limited  |
| iv.  | Category/Sub-Category of the Company                                       | Company having Share Capital  |
| v.   | Address of the Registered office & contact details                         | Plot No. 31, Echelon Institutional Area, Sector-32, Gurugram – 122001, Haryana<br>Phone: 0124-4675500, Fax : 0124-4370985 Email : corporate@hbestste.com<br>Website: www.hbeststate.com |
| vi.  | Whether listed company   | Yes (Listed at BSE)   |
| vii. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | RCMC Share Registry Pvt. Ltd.<br>B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020<br>Phone: 011-26387320, 21, 23 Fax: 011-26387322 Email: shares@rcmcdelhi.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name & Description of main products/services | NIC Code of the Product/Service | % to total turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1.      | Construction and Hotels                      | 41001 and 55101                 | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

| Sl. No. | Name & Address of the Company  | CIN/GLN               | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|--|-----------------------|----------------------------------|------------------|--------------------|
| 1.      | Parsvnath HB Projects Pvt. Ltd.<br>Address: Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi- 110032. | U45200DL2008PTC175708 | Associate                        | 49.00            | 2(6)               |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity):**

(i) Category-wise Shareholding:

| Category of Shareholders                                  | No. of Equity Shares held at the beginning of the year |          |                    |                   | No. of Equity Shares held at the end of the year |          |                    |                   | % change during the year |  |
|---|--|----------|--------------------|-------------------|--|----------|--------------------|-------------------|--------------------------|--|
|   | Demat  | Physical | Total              | % of Total Shares | Demat  | Physical | Total              | % of Total Shares |                          |  |
| <b>A. PROMOTERS</b>                                       |  |          |                    |                   |  |          |                    |                   |                          |  |
| <b>(1) Indian</b>   |  |          |                    |                   |  |          |                    |                   |                          |  |
| a) Individual / HUF                                       | 80,87,273  | 0        | 80,87,273          | 50.11             | 80,87,273  | 0        | 80,87,273          | 50.11             | 0.00                     |  |
| b) Central Govt.  | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| c) State Govt.  | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| d) Bodies Corporate                                       | 39,47,355  | 0        | 39,47,355          | 24.46             | 39,47,355  | 0        | 39,47,355          | 24.46             | 0.00                     |  |
| e) Banks / FI   | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| f) Any other  | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| <b>SUB TOTAL: (A) (1)</b>                                 | <b>1,20,34,628</b>                                     | <b>0</b> | <b>1,20,34,628</b> | <b>74.57</b>      | <b>1,20,34,628</b>                               | <b>0</b> | <b>1,20,34,628</b> | <b>74.57</b>      | <b>0.00</b>              |  |
| <b>(2) Foreign</b>  |  |          |                    |                   |  |          |                    |                   |                          |  |
| a) NRI-Individuals  | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| b) Other Individuals                                      | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| c) Bodies Corporate                                       | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| d) Banks / FI   | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| e) Any other  | 0  | 0        | 0                  | 0.00              | 0  | 0        | 0                  | 0.00              | 0.00                     |  |
| <b>SUB TOTAL: (A) (2)</b>                                 | <b>0</b>   | <b>0</b> | <b>0</b>           | <b>0.00</b>       | <b>0</b>   | <b>0</b> | <b>0</b>           | <b>0.00</b>       | <b>0.00</b>              |  |
| <b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>1,20,34,628</b>                                     | <b>0</b> | <b>1,20,34,628</b> | <b>74.57</b>      | <b>1,20,34,628</b>                               | <b>0</b> | <b>1,20,34,628</b> | <b>74.57</b>      | <b>0.00</b>              |  |
| <b>B. PUBLIC SHAREHOLDING</b>                             |  |          |                    |                   |  |          |                    |                   |                          |  |
| <b>(1) Institutions</b>                                   |  |          |                    |                   |  |          |                    |                   |                          |  |
| a) Mutual Funds   | 125  | 1000     | 1125               | 0.01              | 125  | 1000     | 1125               | 0.01              | 0.00                     |  |
| b) Banks / FI   | 0  | 195      | 195                | 0.00              | 50   | 195      | 245                | 0.00              | 0.00                     |  |



| Category of Shareholders   | No. of Equity Shares held at the beginning of the year |                  |                    |                   | No. of Equity Shares held at the end of the year |                  |                    |                   | % change during the year |
|--|--|------------------|--------------------|-------------------|--|------------------|--------------------|-------------------|--------------------------|
|  | Demat  | Physical         | Total              | % of Total Shares | Demat  | Physical         | Total              | % of Total Shares |                          |
| c) Central Govt.   | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| d) State Govt.   | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| e) Venture Capital Fund  | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| f) Insurance Companies   | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| g) FIs   | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| h) Foreign Venture Capital Funds   | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| i) Others (specify)  | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| <b>SUB TOTAL (B)(1):</b>   | <b>125</b>   | <b>1195</b>      | <b>1320</b>        | <b>0.01</b>       | <b>175</b>                                       | <b>1195</b>      | <b>1370</b>        | <b>0.01</b>       | <b>0.00</b>              |
| <b>(2) Non Institutions</b>  |  |                  |                    |                   |  |                  |                    |                   |                          |
| <b>a) Bodies Corporate</b>   |  |                  |                    |                   |  |                  |                    |                   |                          |
| i) Indian  | 4,68,798   | 18,820           | 4,87,618           | 3.02              | 4,24,443   | 18,820           | 4,43,338           | 2.75              | -0.27                    |
| ii) Overseas   | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| <b>b) Individuals</b>  |  |                  |                    |                   |  |                  |                    |                   |                          |
| i) Individual Shareholders holding nominal share capital upto ₹ 1 lakhs          | 13,56,319  | 18,93,552        | 32,49,871          | 20.14             | 13,45,354  | 18,73,372        | 32,18,726          | 19.94             | -0.2                     |
| ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs | 2,53,864   | 0                | 2,53,864           | 1.57              | 3,02,438   | 0                | 3,02,438           | 1.87              | -0.3                     |
| <b>c) Other (specify)</b>  |  |                  |                    |                   |  |                  |                    |                   |                          |
| i) Clearing Members  | 5,469  | 0                | 5,469              | 0.03              | 46,576   | 0                | 46,576             | 0.29              | 0.26                     |
| ii) Non-Residents  | 44,052   | 61,465           | 1,05,517           | 0.65              | 31,096   | 60,115           | 91,211             | 0.57              | -0.08                    |
| <b>SUB TOTAL (B) (2):</b>  | <b>21,28,502</b>                                       | <b>19,73,837</b> | <b>41,02,339</b>   | <b>25.42</b>      | <b>21,49,907</b>                                 | <b>19,52,307</b> | <b>41,02,214</b>   | <b>25.42</b>      | <b>0.00</b>              |
| <b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>                               | <b>21,28,627</b>                                       | <b>19,75,032</b> | <b>41,03,659</b>   | <b>25.43</b>      | <b>21,51,102</b>                                 | <b>19,53,502</b> | <b>41,03,584</b>   | <b>25.43</b>      | <b>0.00</b>              |
| C. Shares held by Custodian for GDRs & ADRs                                      | 0  | 0                | 0                  | 0.00              | 0  | 0                | 0                  | 0.00              | 0.00                     |
| <b>Grand Total (A+B+C)</b>   | <b>1,41,63,255</b>                                     | <b>19,75,032</b> | <b>1,61,38,287</b> | <b>100.00</b>     | <b>1,41,63,255</b>                               | <b>19,75,032</b> | <b>1,61,38,287</b> | <b>100.00</b>     | <b>0.00</b>              |

(ii) Shareholding of Promoters:

| Sl. No. | Shareholders Name           | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|---------|-----------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|         |                             | No. of Shares                             | % of total shares of the company | % of shares pledged / encumbered to total shares | No. of shares                       | % of total shares of the company | % of shares pledged / encumbered to total shares |  |
| 1.      | Lalit Bhasin                | 74,14,473                                 | 45.94                            | 0.00   | 74,14,473                           | 45.94                            | 0.00   | 0.00                                     |
| 2.      | HB Portfolio Limited        | 20,41,587                                 | 12.65                            | 0.00   | 20,41,587                           | 12.65                            | 0.00   | 0.00                                     |
| 3.      | HB Stockholdings Limited    | 16,15,608                                 | 10.01                            | 0.00   | 16,15,608                           | 10.01                            | 0.00   | 0.00                                     |
| 4.      | Rima Arora                  | 3,32,800                                  | 2.06                             | 0.00   | 3,32,800                            | 2.06                             | 0.00   | 0.00                                     |
| 5.      | RRB Securities Limited      | 2,56,000                                  | 1.59                             | 0.00   | 2,56,000                            | 1.59                             | 0.00   | 0.00                                     |
| 6.      | Ayush Kapur                 | 75,000                                    | 0.46                             | 0.00   | 75,000                              | 0.46                             | 0.00   | 0.00                                     |
| 7.      | Kanishk Kapur               | 75,000                                    | 0.46                             | 0.00   | 75,000                              | 0.46                             | 0.00   | 0.00                                     |
| 8.      | Manasvin Arora              | 75,000                                    | 0.46                             | 0.00   | 75,000                              | 0.46                             | 0.00   | 0.00                                     |
| 9.      | Mehar Arora                 | 75,000                                    | 0.46                             | 0.00   | 75,000                              | 0.46                             | 0.00   | 0.00                                     |
| 10.     | Mamta Kapur                 | 40,000                                    | 0.25                             | 0.00   | 40,000                              | 0.25                             | 0.00   | 0.00                                     |
| 11.     | RRB Master Holdings Limited | 34,160                                    | 0.21                             | 0.00   | 34,160                              | 0.21                             | 0.00   | 0.00                                     |
|         | <b>Total</b>                | <b>1,20,34,628</b>                        | <b>74.57</b>                     | <b>0.00</b>                                      | <b>1,20,34,628</b>                  | <b>74.57</b>                     | <b>0.00</b>                                      | <b>0.00</b>                              |

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

| Sl. No. |   | Shareholding at the beginning of the year           |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of Shares                                       | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| 1.      | At the beginning of the year  |   |                                  |   |                                  |
|         | Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease. (e.g. Allotment/transfer/bonus/sweat equity etc.) | No Change in Promoters Shareholding during the year |                                  |   |                                  |
| 2.      | At the end of the year  |   |                                  |   |                                  |

There is no change in the Promoter Shareholding



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

| SI No.     | For Each of the Top 10 Shareholders     |          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|------------|---|----------|---|----------------------------------|---|----------------------------------|
|            |   |          | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1          | <b>CHL LIMITED</b>                      |          |   |                                  |   |                                  |
|            | At the beginning of the year            |          | 259984                                    | 1.61                             | 259984                                  | 1.61                             |
|            | At the end of the year                  |          |   |                                  | 259984                                  | 1.61                             |
| 2          | <b>PRADEEP JAIN</b>                     |          |   |                                  |   |                                  |
|            | At the beginning of the year            |          | 87025                                     | 0.54                             | 87025                                   | 0.54                             |
|            | At the end of the year                  |          |   |                                  | 87025                                   | 0.54                             |
| 3          | <b>SUJATA HOLDINGS PVT LTD</b>          |          |   |                                  |   |                                  |
|            | At the beginning of the year            |          | 82033                                     | 0.51                             | 82033                                   | 0.51                             |
|            | At the end of the year                  |          |   |                                  | 82033                                   | 0.51                             |
| 4          | <b>KAJAL MALHOTRA</b>                   |          |   |                                  |   |                                  |
|            | At the beginning of the year            |          | 26684                                     | 0.17                             | 26684                                   | 0.17                             |
|            | At the end of the year                  |          |   |                                  | 26684                                   | 0.17                             |
| 5          | <b>SHRI PARASRAM HOLDINGS PVT. LTD.</b> |          |   |                                  |   |                                  |
|            | At the beginning of the year            |          | 25457                                     | 0.16                             | 25457                                   | 0.16                             |
|            | 08/04/2016                              | Transfer | 150                                       | 0                                | 25607                                   | 0.16                             |
|            | 22/04/2016                              | Transfer | 325                                       | 0                                | 25932                                   | 0.16                             |
|            | 29/04/2016                              | Transfer | 187                                       | 0                                | 26119                                   | 0.16                             |
|            | 06/05/2016                              | Transfer | -50                                       | 0                                | 26069                                   | 0.16                             |
|            | 13/05/2016                              | Transfer | -190                                      | 0                                | 25879                                   | 0.16                             |
|            | 20/05/2016                              | Transfer | -476                                      | 0                                | 25403                                   | 0.16                             |
|            | 03/06/2016                              | Transfer | -357                                      | 0                                | 25046                                   | 0.16                             |
|            | 10/06/2016                              | Transfer | 405                                       | 0                                | 25451                                   | 0.16                             |
|            | 17/06/2016                              | Transfer | 265                                       | 0                                | 25716                                   | 0.16                             |
|            | 24/06/2016                              | Transfer | 301                                       | 0                                | 26017                                   | 0.16                             |
|            | 01/07/2016                              | Transfer | -7213                                     | -0.04                            | 18804                                   | 0.12                             |
|            | 08/07/2016                              | Transfer | -124                                      | 0                                | 18680                                   | 0.12                             |
|            | 15/07/2016                              | Transfer | -390                                      | 0                                | 18290                                   | 0.11                             |
|            | 22/07/2016                              | Transfer | 67  | 0                                | 18357                                   | 0.11                             |
|            | 29/07/2016                              | Transfer | 975                                       | 0.01                             | 19332                                   | 0.12                             |
|            | 15/08/2016                              | Transfer | -1876                                     | -0.01                            | 17456                                   | 0.11                             |
|            | 12/08/2016                              | Transfer | 800                                       | 0                                | 18256                                   | 0.11                             |
|            | 19/08/2016                              | Transfer | 369                                       | 0                                | 18625                                   | 0.12                             |
|            | 26/08/2016                              | Transfer | -191                                      | 0                                | 18434                                   | 0.11                             |
|            | 02/09/2016                              | Transfer | 701                                       | 0                                | 19135                                   | 0.12                             |
|            | 09/09/2016                              | Transfer | -255                                      | 0                                | 18880                                   | 0.12                             |
|            | 16/09/2016                              | Transfer | 436                                       | 0                                | 19316                                   | 0.12                             |
|            | 23/09/2016                              | Transfer | -1435                                     | -0.01                            | 17881                                   | 0.11                             |
|            | 30/09/2016                              | Transfer | -59                                       | 0                                | 17822                                   | 0.11                             |
|            | 14/10/2016                              | Transfer | 573                                       | 0                                | 18395                                   | 0.11                             |
|            | 21/10/2016                              | Transfer | -525                                      | 0                                | 17870                                   | 0.11                             |
|            | 28/10/2016                              | Transfer | -640                                      | 0                                | 17230                                   | 0.11                             |
|            | 11/11/2016                              | Transfer | -47                                       | 0                                | 17183                                   | 0.11                             |
|            | 18/11/2016                              | Transfer | -211                                      | 0                                | 16972                                   | 0.11                             |
|            | 25/11/2016                              | Transfer | 200                                       | 0                                | 17172                                   | 0.11                             |
|            | 02/12/2016                              | Transfer | -300                                      | 0                                | 16872                                   | 0.1                              |
| 09/12/2016 | Transfer                                | -212     | 0   | 16660                            | 0.1                                     |                                  |
| 16/12/2016 | Transfer                                | -200     | 0   | 16460                            | 0.1                                     |                                  |
| 23/12/2016 | Transfer                                | -500     | 0   | 15960                            | 0.1                                     |                                  |
| 30/12/2016 | Transfer                                | -25      | 0   | 15935                            | 0.1                                     |                                  |
| 06/01/2017 | Transfer                                | 158      | 0   | 16093                            | 0.1                                     |                                  |
| 13/01/2017 | Transfer                                | -139     | 0   | 15954                            | 0.1                                     |                                  |
| 20/01/2017 | Transfer                                | 222      | 0   | 16176                            | 0.1                                     |                                  |
| 27/01/2017 | Transfer                                | 275      | 0   | 16451                            | 0.1                                     |                                  |
| 03/02/2017 | Transfer                                | -364     | 0   | 16087                            | 0.1                                     |                                  |
| 10/02/2017 | Transfer                                | 500      | 0   | 16587                            | 0.1                                     |                                  |
| 17/02/2017 | Transfer                                | -500     | 0   | 16087                            | 0.1                                     |                                  |
| 24/02/2017 | Transfer                                | 200      | 0   | 16287                            | 0.1                                     |                                  |
| 17/03/2017 | Transfer                                | -7682    | -0.05                                     | 8605                             | 0.05                                    |                                  |
| 31/03/2017 | Transfer                                | 475      | 0   | 9080                             | 0.06                                    |                                  |
|            | At the end of the year                  |          |   |                                  | 9080                                    | 0.06                             |
| 6          | <b>AJAY KUMAR GUPTA</b>                 |          |   |                                  |   |                                  |
|            | At the beginning of the year            |          | 21429                                     | 0.13                             | 21429                                   | 0.13                             |
|            | 22/04/2016                              | Transfer | 627                                       | 0                                | 22056                                   | 0.14                             |
|            | 29/04/2016                              | Transfer | 700                                       | 0                                | 22756                                   | 0.14                             |



| SI No. | For Each of the Top 10 Shareholders                |          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|----------|---|----------------------------------|---|----------------------------------|
|        |  |          | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
|        | 05/08/2016   | Transfer | 1000                                      | 0.01                             | 23756                                   | 0.15                             |
|        | 16/09/2016   | Transfer | 300                                       | 0                                | 24056                                   | 0.15                             |
|        | 30/09/2016   | Transfer | 2360                                      | 0.01                             | 26416                                   | 0.16                             |
|        | 07/10/2016   | Transfer | 500                                       | 0                                | 26916                                   | 0.17                             |
|        | 14/10/2016   | Transfer | 924                                       | 0.01                             | 27840                                   | 0.17                             |
|        | 21/10/2016   | Transfer | 634                                       | 0                                | 28474                                   | 0.18                             |
|        | 28/10/2016   | Transfer | 1000                                      | 0.01                             | 29474                                   | 0.18                             |
|        | 04/11/2016   | Transfer | 625                                       | 0                                | 30099                                   | 0.19                             |
|        | 11/11/2016   | Transfer | 442                                       | 0                                | 30541                                   | 0.19                             |
|        | 16/12/2016   | Transfer | 1315                                      | 0.01                             | 31856                                   | 0.2                              |
|        | 23/12/2016   | Transfer | -1000                                     | -0.01                            | 30856                                   | 0.19                             |
|        | 13/01/2017   | Transfer | 500                                       | 0                                | 31356                                   | 0.19                             |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>31356</b>                            | <b>0.19</b>                      |
| 7      | <b>AVANTHA HOLDINGS LIMITED</b>                    |          |   |                                  |   |                                  |
|        | <b>At the beginning of the year</b>                |          | 20790                                     | 0.13                             | 20790                                   | 0.13                             |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>20790</b>                            | <b>0.13</b>                      |
| 8      | <b>LATHA</b>                                       |          |   |                                  |   |                                  |
|        | <b>At the beginning of the year</b>                |          | 20380                                     | 0.13                             | 20380                                   | 0.13                             |
|        | 05/08/2016   | Transfer | -20377                                    | -0.13                            | 3                                       | 0                                |
|        | 12/08/2016   | Transfer | 49  | 0                                | 52                                      | 0                                |
|        | 19/08/2016   | Transfer | -52                                       | 0                                | 0                                       | 0                                |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>0</b>                                | <b>0</b>                         |
| 9      | <b>SWAVIN BUSINESS CONSULTANTS PRIVATE LIMITED</b> |          |   |                                  |   |                                  |
|        | <b>At the beginning of the year</b>                |          | 20050                                     | 0.12                             | 20050                                   | 0.12                             |
|        | 29/07/2016   | Transfer | 1125                                      | 0.01                             | 21175                                   | 0.13                             |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>21175</b>                            | <b>0.13</b>                      |
| 10     | <b>MULTIPLEX CAPITAL LTD</b>                       |          |   |                                  |   |                                  |
|        | <b>At the beginning of the year</b>                |          | 16819                                     | 0.1                              | 16819                                   | 0.1                              |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>16819</b>                            | <b>0.1</b>                       |
| 11     | <b>RITU GUPTA</b>                                  |          |   |                                  |   |                                  |
|        | <b>At the beginning of the year</b>                |          | 10575                                     | 0.07                             | 10575                                   | 0.07                             |
|        | 22/04/2016   | Transfer | 2126                                      | 0.01                             | 12701                                   | 0.08                             |
|        | 29/04/2016   | Transfer | 1000                                      | 0.01                             | 13701                                   | 0.08                             |
|        | 23/09/2016   | Transfer | 53  | 0                                | 13754                                   | 0.09                             |
|        | 30/09/2016   | Transfer | 1951                                      | 0.01                             | 15705                                   | 0.1                              |
|        | 14/10/2016   | Transfer | 275                                       | 0                                | 15980                                   | 0.1                              |
|        | 28/10/2016   | Transfer | 200                                       | 0                                | 16180                                   | 0.1                              |
|        | 04/11/2016   | Transfer | 50  | 0                                | 16230                                   | 0.1                              |
|        | 18/11/2016   | Transfer | 298                                       | 0                                | 16528                                   | 0.1                              |
|        | 16/12/2016   | Transfer | 396                                       | 0                                | 16924                                   | 0.1                              |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>16924</b>                            | <b>0.1</b>                       |
| 12     | <b>RENU JAIN</b>                                   |          |   |                                  |   |                                  |
|        | <b>At the beginning of the year</b>                |          | 6900                                      | 0.04                             | 6900                                    | 0.04                             |
|        | 17/02/2017   | Transfer | 11000                                     | 0.07                             | 17900                                   | 0.11                             |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>17900</b>                            | <b>0.11</b>                      |
| 13     | <b>MAHENDRA GIRDHARILAL</b>                        |          |   |                                  |   |                                  |
|        | <b>At the beginning of the year</b>                |          | 642                                       | 0                                | 642                                     | 0                                |
|        | 16/12/2016   | Transfer | 34659                                     | 0.21                             | 35301                                   | 0.22                             |
|        | 30/12/2016   | Transfer | 995                                       | 0.01                             | 36296                                   | 0.22                             |
|        | 06/01/2017   | Transfer | 512                                       | 0                                | 36808                                   | 0.23                             |
|        | 13/01/2017   | Transfer | 1300                                      | 0.01                             | 38108                                   | 0.24                             |
|        | 20/01/2017   | Transfer | 2865                                      | 0.02                             | 40973                                   | 0.25                             |
|        | 27/01/2017   | Transfer | 3200                                      | 0.02                             | 44173                                   | 0.27                             |
|        | 03/02/2017   | Transfer | 1641                                      | 0.01                             | 45814                                   | 0.28                             |
|        | 10/02/2017   | Transfer | 312                                       | 0                                | 46126                                   | 0.29                             |
|        | 24/02/2017   | Transfer | 125                                       | 0                                | 46251                                   | 0.29                             |
|        | 03/03/2017   | Transfer | 117                                       | 0                                | 46368                                   | 0.29                             |
|        | 10/03/2017   | Transfer | 318                                       | 0                                | 46686                                   | 0.29                             |
|        | 17/03/2017   | Transfer | 6586                                      | 0.04                             | 53272                                   | 0.33                             |
|        | 24/03/2017   | Transfer | 2473                                      | 0.02                             | 55745                                   | 0.35                             |
|        | 31/03/2017   | Transfer | 1447                                      | 0.01                             | 57192                                   | 0.35                             |
|        | <b>At the end of the year</b>                      |          |   |                                  | <b>57192</b>                            | <b>0.35</b>                      |





| Sl No.     | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |      |
|------------|-------------------------------------|---|----------------------------------|---|----------------------------------|------|
|            |                                     | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |      |
| 14         | <b>CHARLY XAVIER</b>                |   |                                  |   |                                  |      |
|            | <b>At the beginning of the year</b> | 0   | 0                                | 0                                       | 0                                |      |
|            | 20/05/2016                          | Transfer                                  | 1                                | 0                                       | 1                                | 0    |
|            | 03/06/2016                          | Transfer                                  | 10009                            | 0.06                                    | 10010                            | 0.06 |
|            | 10/06/2016                          | Transfer                                  | 832                              | 0.01                                    | 10842                            | 0.07 |
|            | 17/06/2016                          | Transfer                                  | 200                              | 0                                       | 11042                            | 0.07 |
|            | 01/07/2016                          | Transfer                                  | 136                              | 0                                       | 11178                            | 0.07 |
|            | 08/07/2016                          | Transfer                                  | 2992                             | 0.02                                    | 14170                            | 0.09 |
|            | 15/07/2016                          | Transfer                                  | 1343                             | 0.01                                    | 15513                            | 0.1  |
|            | 22/07/2016                          | Transfer                                  | 286                              | 0                                       | 15799                            | 0.1  |
|            | 29/07/2016                          | Transfer                                  | 120                              | 0                                       | 15919                            | 0.1  |
|            | 05/08/2016                          | Transfer                                  | 24336                            | 0.15                                    | 40255                            | 0.25 |
|            | 12/08/2016                          | Transfer                                  | 1402                             | 0.01                                    | 41657                            | 0.26 |
|            | 26/08/2016                          | Transfer                                  | 724                              | 0                                       | 42381                            | 0.26 |
|            | 09/09/2016                          | Transfer                                  | 599                              | 0                                       | 42980                            | 0.27 |
|            | 16/09/2016                          | Transfer                                  | 1                                | 0                                       | 42981                            | 0.27 |
|            | 23/09/2016                          | Transfer                                  | 1683                             | 0.01                                    | 44664                            | 0.28 |
|            | 07/10/2016                          | Transfer                                  | 80                               | 0                                       | 44744                            | 0.28 |
|            | 14/10/2016                          | Transfer                                  | 350                              | 0                                       | 45094                            | 0.28 |
|            | 21/10/2016                          | Transfer                                  | 151                              | 0                                       | 45245                            | 0.28 |
| 04/11/2016 | Transfer                            | -95                                       | 0                                | 45150                                   | 0.28                             |      |
| 11/11/2016 | Transfer                            | -320                                      | 0                                | 44830                                   | 0.28                             |      |
| 09/12/2016 | Transfer                            | -19533                                    | -0.12                            | 25297                                   | 0.16                             |      |
| 16/12/2016 | Transfer                            | -25296                                    | -0.16                            | 1                                       | 0                                |      |
|            | <b>At the end of the year</b>       |   |                                  | <b>1</b>                                | <b>0</b>                         |      |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors & KMP     | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|---------|-------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
|         |                                     | No. of Shares                             | % of total shares of the company | No. of Shares                       | % of total shares of the company |
| 1.      | Mr. Lalit Bhasin                    | 74,14,473                                 | 45.94                            | 74,14,473                           | 45.94                            |
| 2.      | Mr. Anil Goyal                      | NIL                                       | N.A                              | NIL                                 | N.A                              |
| 3.      | Mr. Jagmohan Lal Suri*              | 500                                       | 0.00                             | 500                                 | 0.00                             |
| 4.      | Mr. Rajesh jain                     | NIL                                       | N.A                              | NIL                                 | N.A                              |
| 5.      | Mrs. Asha Mehra                     | NIL                                       | N.A                              | NIL                                 | N.A                              |
| 6.      | Mr. Luv Malhotra                    | NIL                                       | N.A                              | NIL                                 | N.A                              |
| 7.      | Mr. Praveen Gupta, CFO (KMP)        | NIL                                       | N.A                              | NIL                                 | N.A                              |
| 8.      | Mr. Rajesh Singh Chahar, CS (KMP)** | NIL                                       | N.A                              | NIL                                 | N.A                              |

Note: There is no change in the shareholding of Directors & KMP during the year.

\* Jointly held with his wife

\*\*Mr. Rajesh Singh Chahar has resigned from the position of Company Secretary w.e.f. 31<sup>st</sup> January, 2017

V. INDEBTEDNESS:

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

(Amount in ₹)

| Particulars   | Secured Loans excluding deposits | Unsecured Loans       | Deposits  | Total Indebtedness    |
|---|----------------------------------|-----------------------|-----------|-----------------------|
| Indebtedness at the beginning of the Financial Year |                                  |                       |           |                       |
| i) Principal Amount                                 | 1,67,10,25,687                   | 1,54,43,57,348        | NA        | 3,21,53,83,035        |
| ii) Interest due but not paid                       | NIL                              | NIL                   | NA        | NIL                   |
| iii) Interest accrued but not due                   | 1,79,71,032                      | 38,49,312             | NA        | 2,18,20,344           |
| <b>Total (+ii+iii)</b>                              | <b>1,68,89,96,719</b>            | <b>1,54,82,06,660</b> | <b>NA</b> | <b>3,23,72,03,378</b> |
| Changes in Indebtedness during the Financial Year   |                                  |                       |           |                       |
| • Addition  | 1,00,00,00,000                   | 1,58,08,23,288        | NA        | 2,58,08,23,288        |
| • Reduction   | 98,90,25,687                     | 1,63,73,40,062        | NA        | 2,62,63,65,749        |
| <b>Net Change</b>                                   | <b>1,09,74,313</b>               | <b>-5,65,16,774</b>   | <b>NA</b> | <b>-4,55,42,461</b>   |
| Indebtedness at the end of the Financial Year       |                                  |                       |           |                       |
| i) Principal Amount                                 | 1,68,20,00,000                   | 1,48,78,40,574        | NA        | 3,16,98,40,574        |
| ii) Interest due but not paid                       | NIL                              | NIL                   | NA        | NIL                   |
| iii) Interest accrued but not due                   | 1,71,77,397                      | 40,10,713             | NA        | 2,11,88,110           |
| <b>Total (+ii+iii)</b>                              | <b>1,69,91,77,397</b>            | <b>1,49,18,51,287</b> | <b>NA</b> | <b>3,19,10,18,684</b> |



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole –time Directors and / or Manager:

(Amount in ₹)

| Sl. No. | Particulars of Remuneration  | Name of MD/WTD/Manager |
|---------|--|------------------------|
|         |  | N.A.                   |
| 1.      | Gross Salary<br>(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | N.A.                   |
| 2.      | Stock Option   | -                      |
| 3.      | Sweat Equity   | -                      |
| 4.      | Commission<br>- as % of profit<br>- others, specify  | -                      |
| 5.      | Others, please specify   | -                      |
|         | <b>Total(A)</b>  | -                      |
|         | <b>Ceiling as per the Act</b>  | -                      |

B) Remuneration to other Directors:

| Sl. No. | Particulars of Remuneration  | Name of Directors  |                        |                              | Total Amount (₹)     |
|---------|--|--|------------------------|------------------------------|----------------------|
|         |  | Mr. Rajesh Jain  | Mrs. Asha Mehra        | Mr. Luv Malhotra             |                      |
| 1.      | <b>Independent Directors</b>   | <b>Mr. Rajesh Jain</b>   | <b>Mrs. Asha Mehra</b> | <b>Mr. Luv Malhotra</b>      |                      |
|         | • Fee for attending Board / Committee Meetings #<br>• Commission<br>• Others, please specify | 57,000<br>NIL<br>-   | 64,000<br>NIL<br>-     | 50,000<br>NIL<br>-           | 1,71,000<br>NIL<br>- |
|         | <b>Total (1)</b>   | <b>57,000</b>  | <b>64,000</b>          | <b>50,000</b>                | <b>1,71,000</b>      |
| 2.      | <b>Other Non-Executive Directors</b>   | <b>Mr. Lalit Bhasin</b>  | <b>Mr. Anil Goyal</b>  | <b>Mr. Jagmohan Lal Suri</b> |                      |
|         | • Fee for attending Board / Committee Meetings #<br>• Commission<br>• Others, please specify | 50,000<br>NIL<br>-   | 56,000<br>NIL<br>-     | 70,000<br>NIL<br>-           | 1,76,000<br>NIL<br>- |
|         | <b>Total (2)</b>   | <b>50,000</b>  | <b>56,500</b>          | <b>70,000</b>                | <b>1,76,000</b>      |
|         | <b>Total Managerial Remuneration</b>   |  |                        |                              | <b>3,47,000</b>      |
|         | <b>Overall Ceiling as per the Act</b>  | Sitting fee paid as per the provisions of the Companies Act, 2013. |                        |                              |                      |

# Excluding reimbursement of travel and other expenses incurred for attending the meetings.

C) Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD:

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel                       |   | Total Amount (₹)              |
|---------|---|--|---|-------------------------------|
|         |   | Mr. Praveen Gupta<br>(Chief Financial Officer) | Mr. Rajesh Singh Chahar*<br>(Company Secretary) |                               |
| 1.      | <b>Gross Salary</b><br>(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | 17,40,000<br>12,38,146<br>NIL                  | 1,60,000<br>1,32,745<br>NIL                     | 19,00,000<br>13,70,891<br>NIL |
| 2.      | Stock Option  | NIL  | NIL   | NIL                           |
| 3.      | Sweat Equity  | NIL  | NIL   | NIL                           |
| 4.      | Commission<br>- As % of profit<br>- Others, specify   | NIL<br>-<br>-                                  | NIL<br>-<br>-                                   | NIL<br>-<br>-                 |
| 5.      | Others, please specify  | -  | -   | -                             |
|         | <b>Total</b>  | <b>29,78,146</b>                               | <b>2,92,745</b>                                 | <b>32,70,891</b>              |

\*Mr. Rajesh Singh Chahar has resigned from the post of Company Secretary with effect from 31<sup>st</sup> January, 2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD/NCLT / Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|-----------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                             |                                   |
| Penalty / Punishment / Compounding  |                              |                   | None   |                             |                                   |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                             |                                   |
| Penalty / Punishment / Compounding  |                              |                   | None   |                             |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                             |                                   |
| Penalty / Punishment / compounding  |                              |                   | None   |                             |                                   |



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 1. Operating Results

The total income earned by the company during the year under review was ₹ 7471.96 lakhs (₹ 7014.49 lakhs in the previous year). During the year under review, the total expenses amounted to ₹ 10143.63 lakhs (₹ 9821.99 lakhs in the previous year).

### 2. Industry Structure and Developments

Global GDB growth declined in 2016 at 3.1%. However, growth projections are more encouraging in 2017 and 2018. Led by improved trade and manufacturing, as well as the strength of emerging and developing nation's economies, Global GDP is projected to increase by 3.5% in 2017 and 3.6% in 2018. The increase in Global GDP will be positive for the travel and tourism sectors.

In the Indian economy, at the close of 2015-16, the Economic survey of India estimated GDP Growth of 7.6% for the Country. The overall macroeconomic stability was the result of reduction in the fiscal deficit, the current account deficit and inflation.

The Economist Intelligence Unit forecasts a GDP growth of 7.2% in 2017, and an average of 7.5% annually over the next five years.

The year 2016-17 also witnessed a major policy initiative that will positively impact the economy - the Constitutional Amendment leading to the implementation of the Goods & Services Tax (GST) from 1<sup>st</sup> July 2017. The goal of the GST is to create a common Indian marketplace, improve tax compliance, governance and increase investments and growth.

The taxes applicable to the various stakeholders in travel and tourism have been announced. While it is commendable that GST rates applicable to travel, tours & transportation have been lowered, it is disappointing that a tax rate of up to 28% has been applied to hotels who charge in excess of Rs. 5000 per night. The application of the highest rate of 28% to a significant part of the Hospitality Industry will make the destination more expensive and will adversely affect its capability to generate revenue and employment. We hope that the tax rate of 28% will be reviewed and revised in the interest of the hospitality industry and the nation.

### 3. Opportunities and Threats

Domestic tourism, driven by India's expanding middle class and increasing disposable incomes, has emerged as a key driver for the growth of travel and tourism. As per the Ministry of Tourism, Domestic Tourist Visits (DTVs) to the States/Union Territories (UTs) grew by 15.5% annually to 1.65 billion during 2016.

Furthermore, Foreign Tourist Arrivals (FTAs) in 2016 grew by 10.7% over the previous year to reach nearly 9 million. The foreign tourist arrivals on e-visas more than doubled to 1 million as the e-visa facility was extended to 161 countries from 113 previously.

India is anticipated to rank among the top five business travel markets globally over the next ten years. Business travel spending in the Country is expected to grow by 5.5% in 2017 to over ₹ 700 billion, and double to over ₹ 1.4 trillion by 2027.

Branded supply of hotel rooms grew at a CAGR of 11.1% over the past five years while demand outpaced supply growth at 13.0% for the same period. As a consequence, hotel occupancies in India exceeded 60% in 2016-17. However, in a number of primary and secondary cities, hotel room inventories increased substantially with new hotel openings. This was not offset with a corresponding increase in demand, putting pressure on both occupancy levels and room rates in these cities. With GDP forecast to grow annually at 7.5% over the next five years and limited hotels under construction, the industry will benefit with improved occupancy levels and higher room rates.

### 4. Segment-wise Performance

The revenue from hotel operations, Real Estate and other income for the Financial Year ended 31<sup>st</sup> March, 2017, along with the previous year income is mentioned in the notes to the accounts and forms a part of the Balance Sheet.

### 5. Future Prospects and Outlook

With the consistently growing middle class and increasing disposable income, the tourism and hospitality sector is witnessing a healthy growth and accounts for 7.5 percent of the Country's GDP. It is expected to grow at 16.1 percent Compound Annual Growth Rate (CAGR) to reach INR 2,796.9 thousand crore in 2022. The sector generated significant amount of direct as well as indirect employment, and is also one of the key foreign exchange earners for the Country.

Tourism and hospitality is included as one of the 25 focus centers under the government's 'Make in India' initiative, which aims to 'transform India into a global design and manufacturing hub'. The Government has allowed 100 percent FDI under the automatic route in the tourism and hospitality sector, including tourism construction projects such as development of hotels, resorts and recreational facilities.

### 6. Risks and concerns

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.

### Risk Management Policy

- (i) The Senior Management is responsible for identification of new risks, changes to existing risks and retirement of previously identified risks through a formal decision making process.
- (ii) To ensure key risks are identified and analysed, the Senior Management:
  - (a) defines risks in the context of the Company's strategy;
  - (b) prepares risk profiles including a description of the material risks, the risk level and action plans used to mitigate the risk; and
  - (c) regularly reviews and updates the risk profiles.
- (iii) The Company has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks and provides the necessary tools and resources to management and staff to support the effective management of risks.
- (iv) Risks faced by the Company in its business principally arise from Real Estate and Tourism Industry. This includes macroeconomic risks, Investee Company specific risks, market wide liquidity risks and execution risks relating to the company/its intermediaries. The macroeconomic risks, Investee Company specific risks are covered by investment decisions based on third party research and internal assessment. Market wide risks are assessed and managed by investment timing decisions. The execution risk is managed by dealing with reputed intermediaries and through own back office discipline re accounting and follow up of trades.
- (v) The Company assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed.

### 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 on 31<sup>st</sup> March, 2017, stood at ₹ 9613.83 lakhs which includes ₹ 8000.00 lakhs on account of 80,00,000 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 ₹ (2800.56) lakhs as against ₹ 98.90 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 ₹ 41554.91 lakhs and ₹ 33868.00 lakhs respectively against ₹ 43127.50 lakhs and ₹ 32103.65 lakhs respectively in the last year.
- d) **Current Assets & Current Liabilities:** During the year under review, the current assets and current liabilities stood at ₹ 3552.20 lakhs and ₹ 4398.47 lakhs respectively against 3922.98 lakhs and ₹ 5206.73 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 realize his or her potential. The company has adequate human resources to maintain 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.

The company follows sound 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 organization.

### 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 downturn 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**

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

**1. CORPORATE GOVERNANCE PHILOSOPHY**

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 maximize 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 (SUPERVISORY BOARD)**

The Board of Directors has a judicious mix of professionalism, knowledge and experience which provides strategic direction and thrust to the operations of the Company.

**Composition of the Board**

As on 31<sup>st</sup> March, 2017, the Board comprises of six (6) Directors, all being Non-Executive

| Name of the Director | Category                             | Directorships in other Public Companies as on 31 <sup>st</sup> March, 2017 |          | #Committee Membership held in other Public Companies as on 31 <sup>st</sup> March, 2017 |          | No. of Board Meetings attended during the year | Whether Attended last AGM held on 20 <sup>th</sup> September, 2016 | No. of Equity Shares held |
|----------------------|--------------------------------------|--|----------|---|----------|--|--|---------------------------|
|                      |                                      | Director   | Chairman | Member  | Chairman |  |  |                           |
| Mr. Lalit Bhasin     | Chairperson (Promoter) Non Executive | 8  | 3        | 4   | 1        | 5  | Yes  | 74,14,473                 |
| Mr. Anil Goyal       | Non-Independent Non Executive        | 9  | NIL      | 5   | NIL      | 5  | Yes  | NIL                       |
| Mr. J.M.L. Suri      | Non-Independent Non Executive        | 8  | NIL      | 2   | 2        | 5  | Yes  | *500                      |
| Mr. Rajesh Jain      | Independent Non-executive            | NIL  | NIL      | NIL   | NIL      | 4  | Yes  | NIL                       |
| Mrs. Asha Mehra      | Independent Non-executive            | 1  | NIL      | NIL   | NIL      | 5  | Yes  | NIL                       |
| Mr. Luv Malhotra     | Independent Non-executive            | 1  | NIL      | NIL   | NIL      | 5  | Yes  | NIL                       |

\* Jointly held with his wife

# Comprises only Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies

The number of Committees (Audit Committee and Stakeholder Relationship Committee) of Public Limited Companies in which a Director is a Member / Chairperson is within the limits provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for all the Directors of the Company. The number of Directorships of each Independent Director is also within the limits as prescribed under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other as defined in Section 2(77) of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company, [www.hbestate.com](http://www.hbestate.com)

**Board Meetings**

Five (5) Meetings of the Board of Directors of the Company were held during the year under review, i.e. on – 26<sup>th</sup> May, 2016, 27<sup>th</sup> July, 2016, 10<sup>th</sup> August, 2016, 12<sup>th</sup> November, 2016 and 14<sup>th</sup> February, 2017.

The necessary quorum was present for all the meetings.

**Membership Term and Retirement Policy**

In terms of the provisions of the existing Articles of Association of the Company, one-third of the Directors of the Company, who are liable to retire by rotation, shall retire at every Annual General Meeting. Accordingly, Mr. Anil Goyal, Director shall retire at the ensuing Annual General Meeting and who being eligible offers himself for re-appointment.

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice of the ensuing Annual General Meeting.

**3. INDEPENDENT DIRECTORS MEETING:**

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management Representatives.

The Independent Directors met once during the Financial Year ended 31<sup>st</sup> March, 2017, on 14<sup>th</sup> February, 2017, inter alia, discussed and evaluated:

- i) the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii) the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- iii) the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, the Company gave the presentation to the Independent Directors as a part of the familiarisation programme to make them aware about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such familiarisation programme have been uploaded on the website of the Company, [www.hbestate.com](http://www.hbestate.com) having following web link, [www.hbestate.com/Investor Centre/Corporate Governance](http://www.hbestate.com/Investor Centre/Corporate Governance).

All the Independent Directors were present at the Meeting.

**4. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

The performance evaluation exercise has been carried out by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance. The performance of Individual Directors has been evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company, Shareholders etc. The Performance

out of which three are Independent Directors. Mrs. Asha Mehra is the Woman Director on the Board of the Company. 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, Hospitality, administration and management skills. Mr. Lalit Bhasin, Director (Promoter) is the Chairman and Non-Executive Director of the Company. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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:

of Chairperson was being evaluated in terms of leadership qualities, effective management, maintaining cordial relationship with Board, Shareholders, employees, etc.

The Independent Directors in their meeting held on 14<sup>th</sup> February, 2017 have done necessary performance evaluation of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors. All the Independent Directors expressed their satisfaction with the performance of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company.

Mr. Lalit Bhasin, Chairman of the Company had discussion with all individual Directors in order to review the performance of the Independent Directors of the Company. The performance of the Independent Directors also found to be satisfactory during the period under review.

The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 14<sup>th</sup> February, 2017 expressed their satisfaction with the performance evaluation of all individual Directors being the Independent Directors, Non-Independent Directors, Chairperson, Board as a whole and its Committees in terms of the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

**5. BOARD COMMITTEES:**

The terms of reference of the Board Committee(s), their composition and attendance of the respective members at the various Committee Meeting(s) held during the year 2016-2017 are set out below:

**(A) Audit Committee**

The Primary objective of the Audit Committee is to monitor and to provide effective supervision of the Management's financial reporting process with the view to ensuring accurate and timely disclosure, with the high level of transparency and quality reporting of financial reporting.

**Composition & Terms of Reference of Audit Committee**

The powers, role and terms of reference of the Audit Committee cover the areas under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The present Audit Committee comprises of Mrs. Asha Mehra, Chairperson (Independent Director), Mr. Rajesh Jain (Independent Director) and Mr. Jagmohan Lal Suri. All the members are financially literate and possess experience in finance to look into the internal controls and financial procedures.

**The Audit Committee has been empowered, *inter-alia*, to carry out the following functions:**

- 1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.



- b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. The Audit Committee shall mandatorily review the following information:
    - a) Management discussion and analysis of financial condition and results of operations;
    - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d) Internal audit reports relating to internal control weaknesses; and
    - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
    - f) Statement of deviations
      - (i) Quarterly statement of deviation(s) including Report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
      - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
  21. The Audit Committee shall also have powers, which should include the following:
    - a) To investigate any activity within its terms of reference.
    - b) To seek information from any employee.
    - c) To obtain outside legal or other professional advice.
    - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
    - e) To consider and act on any matters as included under SEBI (Listing Obligations and Disclosure Requirements) 2015 and/or as may be so included from time to time, whether provided here in above or not.
    - f) 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.

**Meetings of the Audit Committee and attendance of members during the year**

During the year under review, four Audit Committee Meetings were held on 26<sup>th</sup> May 2016, 10<sup>th</sup> August, 2016, 12<sup>th</sup> November, 2016 and 14<sup>th</sup> February, 2017.

| Name of the Director  | Designation | Category of Director            | No of Meeting attended |
|-----------------------|-------------|---------------------------------|------------------------|
| Mrs. Asha Mehra       | Chairperson | Independent (Non Executive)     | 4                      |
| Mr. Rajesh Jain       | Member      | Independent (Non Executive)     | 3                      |
| Mr. Jagmohan Lal Suri | Member      | Non Independent (Non Executive) | 4                      |

In addition to the members of the Audit Committee, these meeting were attended by Chief Financial Officer, Internal Auditor and Statutory Auditors of the Company to provide inputs to the committee.

The Company Secretary acts as Secretary of the Committee.

**(B) Nomination and Remuneration Committee**

The Committee has been entrusted with the responsibilities to review the increments and modify the terms and conditions of appointment/reappointment including remuneration, commission etc payable within the overall ceiling of the remuneration.

**Composition & Terms of Reference of Committee**

The powers, role and terms of reference of Nomination and Remuneration Committee cover the areas under Regulation 19 of their SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The present Nomination and Remuneration Committee consists of three non executive directors as members, out of which two are independent directors that are Mrs. Asha Mehra, Chairperson (Independent Director), Mr. Rajesh Jain (Independent Director) and Mr. Jagmohan Lal Suri (Non Independent Director).

The Company Secretary acting as Secretary to the Committee.

**The said Committee shall be empowered, *inter-alia*, to carry out the following functions:**

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for performance evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

During the year under review One (1) Nomination and Remuneration Committee Meeting was held on 14<sup>th</sup> February, 2017 and the same was attended by all the committee members.

Nomination and Remuneration Policy forms a part of the Directors Report as per Section 178(4) of the Companies Act, 2013.

Remuneration paid to Non-executive Directors during the year ended 31<sup>st</sup> March 2017 is summarized as under:

| Director          | Relationship with other Directors | Sitting Fees Paid (₹) | Salary & Perks | Commission if any |
|-------------------|-----------------------------------|-----------------------|----------------|-------------------|
| Mr. Lalit Bhasin  | -                                 | 50,000/-              | Nil            | Nil               |
| Mrs. Asha Mehra   | -                                 | 64,000/-              | Nil            | Nil               |
| Mr. Anil Goyal    | -                                 | 56,000/-              | Nil            | Nil               |
| Mr. J. M. L. Suri | -                                 | 70,000/-              | Nil            | Nil               |
| Mr. Rajesh Jain   | -                                 | 57,000/-              | Nil            | Nil               |
| Mr. Luv Malhotra  | -                                 | 50,000/-              | Nil            | Nil               |

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board and no other remuneration is being paid to any of the Directors. The sitting fee for each meeting of Board of Directors and the Committee of Directors is fixed by the Board of Directors within the overall ceiling laid down under the Companies Act.

**(C) Stakeholders Relationship Committee**

The Committee looks after the share transfer work besides redressal of shareholders complaints.

**Composition & Terms of Reference of Committee**

The present Stakeholder Relationship Committee comprises of three members viz. Mr. J.M.L. Suri, Chairman (Non Independent Director), Mr. Anil Goyal (Non Independent Director), Mr. Rajesh Jain (Independent Director).

The Company Secretary acting as Secretary to the Committee who has also been designated as Compliance Officer of the Company.

**Stakeholders Relationship Committee has been empowered, *inter-alia*, to carry out the following functions:**

1. To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
2. To review the status of dematerialization of Company's shares and matters incidental thereto.
3. 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.
4. To consider, review and look into the redressal of grievances of shareholders, debenture holders and other security holders.
5. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.



6. To consider and finalize the Report on Corporate Governance to be annexed with the Annual Report of the Company.
7. To deal with any other matters related and/or incidental to the shareholders.  
During the year under review Five (5) Stakeholders Relationship Committee Meetings were held on 4<sup>th</sup> April, 2016, 26<sup>th</sup> May, 2016, 7<sup>th</sup> July, 2016, 22<sup>nd</sup> October, 2016, 25<sup>th</sup> Feb, 2017 and the same were attended by all the committee members.

**Number of Shareholders Complaints received and redressed during the year 2016-2017:**

| Nature of Grievance                                     | Received | Cleared  |
|---|----------|----------|
| Non Receipt of Dividend                                 | 3        | 3        |
| Non Receipt of Annual Report                            | 1        | 1        |
| Transfer, Transmission, Issue of Share Certificate etc. | 1        | 1        |
| <b>TOTAL</b>  | <b>5</b> | <b>5</b> |

**(D) Corporate Social Responsibility Committee**

**Brief Outline of the Company CSR Policy**

The Board of Directors in its meeting held on 24<sup>th</sup> May, 2014, constituted a Corporate Social Responsibility Committee. This Committee discharges the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. The Committee comprises of Mrs. Asha Mehra, Chairperson of the Committee, Mr. Anil Goyal and Mr. Rajesh Jain as other members of the Committee and the Company Secretary of the Company as the Secretary to the Committee.

**CSR Committee has been empowered, *inter-alia*, to carry out the following functions:**

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

The Company does not come under the ambit of Corporate Social Responsibility hence no Committee meeting was required to be held during the year under review.

**(E) 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 Directors.

**The committee has been empowered, *inter-alia*, to carry out the following functions:**

1. To analyze all the available options of capital restructuring, merger, demerger etc.
2. To analyze available options for restructuring the existing Capital base by inducting more funds.
3. 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.
4. To appoint Advocates & Legal Counsels for the drafting of Scheme of Amalgamation/ Arrangement.
5. To appoint valuer for obtaining the valuation report.
6. To place the Draft Scheme of Amalgamation/ Arrangement and valuation report before the Board of Directors of the Company.

During the year under review no meeting(s) of the Committee were held.

**(F) Securities Committee**

The Securities Committee comprises three (3) members, headed by Mrs. Asha Mehra as Chairperson; Mr. Anil Goyal and Mr. Rajesh Jain as its two Members, all being non-executive Directors.

**The Committee has been empowered, *inter-alia*, to carry out the following functions:**

- a) To raise capital through further issuance and allotment of Securities including but not limited to Equity Shares and/or Convertible Preference Shares and/ or Fully Convertible Debentures ("FCDs") and/or Non Convertible Debentures ("NCDs") with warrants, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs") and/or any other financial instruments convertible into or linked to Equity Shares through public issue(s), private placement(s) or a combination thereof, including issuance of Securities through a qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations for an aggregate amount to Rs. 250 Crores.
  - b) To expedite the process of preparation and approval of offer documents/information memorandum, fixing of terms and conditions including pricing, engaging of intermediaries etc. for various kinds of securities, at opportune times.
  - c) Approving the draft / final offer documents, placement document and filing the same with any other authority or persons as may be required;
  - d) Approving the issue price, payment terms, timings of the issue(s), the number of Securities to be issued, the basis of allocation and allotments of Securities;
- During the year under review no meeting(s) of the committee were held.

**6. GENERAL BODY MEETINGS**

**Details of Annual General Meetings:**

**(i) Location and time where the last 3 AGM's were held:**

| Year    | Type | Location   | Date                             | Time       |
|---------|------|--|----------------------------------|------------|
| 2015-16 | AGM  | GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 | 20 <sup>th</sup> September, 2016 | 11.00 A.M. |
| 2014-15 | AGM  | GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 | 22 <sup>nd</sup> September 2015  | 11.00 A.M. |
| 2013-14 | AGM  | GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001 | 29 <sup>th</sup> October 2014    | 11.00 A.M. |

**(ii) List of Special Resolutions passed in the previous 3 AGMs:**

| S. No. | Special Resolution(s)  | AGM/EGM                                 |
|--------|--|---|
| 1      | Alteration of Memorandum of Association (MOA) of the Company   | AGM<br>20 <sup>th</sup> September, 2016 |
| 2      | To appoint Mr. Luv Malhotra (DIN 00030477) as an Independent (Non-Executive) Director  | AGM<br>22 <sup>nd</sup> September, 2015 |
| 3      | To consider and approve adoption of new set of Articles of Association of the Company  | AGM<br>29 <sup>th</sup> October 2014    |
| 4      | To consider and approve passing of fresh resolution for borrowing monies under section 180(1)(c) of the Companies Act, 2013. | AGM<br>29 <sup>th</sup> October 2014    |

E-voting facility was provided to all the members pursuant to the provisions of Section 108 of the Companies Act, 2013, rules made there under and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(iii) Whether Special Resolutions were put through postal ballot last year : Yes**

| S. No. | Special Resolution(s)   | Postal Ballot                   |
|--------|---|---------------------------------|
| 1      | Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of loan/borrowings.       | 12 <sup>th</sup> December, 2016 |
| 2      | To Empower the Board to Convert Loan/Borrowings into Equity:  | 12 <sup>th</sup> December, 2016 |
| 3      | Approval for the Composite Scheme of Arrangement amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited. | 12 <sup>th</sup> December, 2016 |

**(iv) Whether any Special Resolution is proposed to be conducted through Postal Ballot: No**

**(v) Court Convened Meeting (CCM):**

By Order dated September 16, 2016 in Company Petition No. 165 of 2016, passed by the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh, a meeting of the Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company ("Court Convened Meeting") was held on Monday, 10<sup>th</sup> December, 2016 at GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001 (Haryana), India, in the matter of "Approval to the Composite Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013". The resolution was duly approved with requisite majority of the Equity Shareholders of the Company.

**7. DISCLOSURES**

- I. In line with the requirements of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, on the recommendation of the Audit Committee, has formulated a Policy on Related Party Transactions which is also available on Company's website viz. [www.hbestate.com](http://www.hbestate.com) having following web link, [www.hbestate.com/InvestorCentre/CorporateGovernance](http://www.hbestate.com/InvestorCentre/CorporateGovernance). All Related Party Transactions are placed before the Audit Committee for review and approval. None of the Directors has any pecuniary relationships or transactions with the Company during the year under review.  
All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. There were no materially significant Related Party Transactions entered into by the Company during the year under review.
- II. No penalty has been imposed nor 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. The Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company. No personnel have been denied access to the Audit Committee.



- IV. In line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have formulated a Policy to Determine Material Subsidiary which is also available on Company's website viz. [www.hbestate.com](http://www.hbestate.com) having following web link, [www.hbestate.com/Investor Centre/ Corporate Governance](http://www.hbestate.com/Investor-Centre/Corporate-Governance). As of now Company has no subsidiaries and there is no immediate applicability of the said policy.
- V. All the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) 2015, related to Corporate Governance are being adhered to / complied with.
- VI. The Director and Chief Financial Officer of the Company, have given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the Financial Year ended 31<sup>st</sup> March, 2016 to the Board of Directors as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VII. The Company has adopted a code of conduct applicable to all Directors and Senior Management Personnel of the Company and the same has been posted on the website of the Company [www.hbestate.com](http://www.hbestate.com). For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said code.
- VIII. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ADOPTION OF DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

- I. The Internal Auditor directly reports to the Audit Committee.

**8. MEANS OF COMMUNICATION**

- I. **Quarterly Results:** Dissemination through Stock Exchange, Company's Website and through publication in newspaper as required under SEBI (Listing Obligations and Disclosure) Regulations, 2015.
- II. **Newspaper wherein results normally published:** Business Standard (English) All India editions and Business Standard (Hindi) Delhi Edition.
- III. **Website where displayed:** [www.hbestate.com](http://www.hbestate.com)
- IV. The website also displays official news releases and important communications made to Stock Exchange. As and when any presentation is 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:**

| Location   | Date                             | Time       |
|--|----------------------------------|------------|
| GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram (Haryana) – 122 001 | 29 <sup>th</sup> September, 2017 | 11.00 A.M. |

- I. **Financial Year** : 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017
- II. **Date of Book Closure** : 23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017
- III. **Dividend Payment Date** : No dividend is being declared for year under review.
- IV. **Listing on Stock Exchanges:**

The Company's Equity Shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Annual Listing Fee for the financial year 2017-2018 has been paid to BSE Limited.

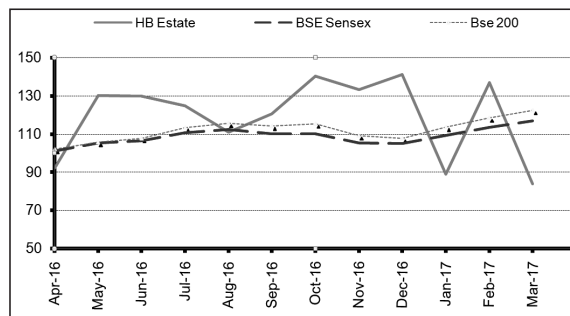
- V. **Stock Code:**

The Company's scrip code at BSE is 532334.

- VI. **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, 2016     | 7.64  | 6.28 | 6.71  | 32,834 |
| May, 2016       | 9.83  | 6.70 | 9.50  | 32,857 |
| June, 2016      | 9.94  | 7.54 | 9.49  | 12,318 |
| July, 2016      | 10.39 | 8.30 | 9.10  | 15,827 |
| August, 2016    | 11.02 | 8.00 | 8.10  | 37,580 |
| September, 2016 | 9.97  | 7.33 | 8.80  | 33,806 |
| October, 2016   | 11.31 | 8.00 | 10.25 | 29,129 |
| November, 2016  | 11.19 | 8.10 | 9.73  | 14,403 |
| December, 2016  | 13.00 | 9.15 | 10.30 | 68,286 |
| January, 2017   | 11.04 | 9.91 | 10.50 | 17,067 |
| February, 2017  | 11.55 | 9.03 | 10.00 | 20,187 |
| March, 2017     | 11.00 | 8.56 | 10.50 | 20,683 |

**VII. Performance in comparison to broad based indices**



**VIII. Stock Performance-Absolute returns vis-à-vis broad based indices**

**1 year**

|            |        |
|------------|--------|
| HB Estate  | 56.48% |
| BSE Sensex | 15.68% |
| BSE 200    | 20.18% |

**IX. Registrar and Transfer Agents:**

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor,  
Okhla Industrial Area, Phase-II,  
New Delhi – 110 020  
Phone: 011 – 26387320, 26387321, 26387323  
Fax : 011 - 26387322  
E-mail: [shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com)

**X. Share Transfer System**

Share Transfers are registered and returned within a period of thirty (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 the Director for transfer of shares up to a fixed number beyond which the matters are placed before the Shareholders Committee, which meets as and when required. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.

**XI. The distribution of shareholdings of the Company as on 31<sup>st</sup> March 2017 is as under:**

| Shareholding of value of Rs. | Shareholders  |               | Shareholding    |               |
|------------------------------|---------------|---------------|-----------------|---------------|
|                              | No. of Shares | % to total    | No. of Shares   | % to total    |
| Up to 5000                   | 69531         | 99.51         | 2861159         | 17.73         |
| 5001-10000                   | 175           | 0.25          | 126330          | 0.78          |
| 10001-20000                  | 60            | 0.09          | 86986           | 0.54          |
| 20001-30000                  | 31            | 0.05          | 78374           | 0.49          |
| 30001-40000                  | 15            | 0.02          | 51572           | 0.32          |
| 40001-50000                  | 11            | 0.02          | 51914           | 0.32          |
| 50001-100000                 | 15            | 0.02          | 119469          | 0.74          |
| 100001 and above             | 30            | 0.04          | 12762483        | 79.08         |
| <b>TOTAL</b>                 | <b>68868</b>  | <b>100.00</b> | <b>16138287</b> | <b>100.00</b> |

**The category-wise distribution of Shareholders is as follows:**

| Category   | No of Shares held  | % of Shareholding |
|--|--------------------|-------------------|
| <b>A. Promoters Holding</b>                      |                    |                   |
| ➤ Indian Promoter                                | 1,20,34,628        | 74.57             |
| ➤ Foreign Promoters                              | 0                  | 0.00              |
| <b>B. Public Shareholding (Institutions)</b>     |                    |                   |
| ➤ Mutual Funds and UTI                           | 1,125              | 0.01              |
| ➤ Banks/Financial Institutions                   | 245                | 0.00              |
| ➤ Foreign Institutional Investors                | 0                  | 0.00              |
| <b>C. Public Shareholding (Non Institutions)</b> |                    |                   |
| ➤ Bodies Corporate                               | 4,43,338           | 2.75              |
| ➤ NRIs   | 91,211             | 0.57              |
| ➤ Indian Public                                  | 35,21,164          | 21.81             |
| ➤ Clearing Member/ Intermediary                  | 46,576             | 0.29              |
| <b>Total</b>                                     | <b>1,61,38,287</b> | <b>100.00</b>     |



**XII. Dematerialization of Share and Liquidity:**

Company's Shares are tradable compulsorily in the electronic form. 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 31<sup>st</sup> March 2017, 1,41,84,710 Equity Shares of the Company are held in dematerialised form constituting 87.89% of the Company's Paid up Equity Share Capital of ₹16,13,82,870/- comprising of 1,61,38,287 Equity shares of ₹ 10/- each.

As stipulated by SEBI, a qualified Practising Company Secretary carries out Audit of Reconciliation of Share Capital to reconcile the Total Admitted, Issued and Listed Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Bombay Stock Exchange (BSE).

**XIII.** The Company has no outstanding GDRs/ ADRs/ Warrants or any other instruments convertible into equity.

**XIV. Compliance Officer:** Company Secretary of the Company acts as the Compliance Officer.

**XV. Address for Correspondence:**

**HB Estate Developers Limited**  
HB House, 31, Echelon Institutional Area,  
Sector-32, Gurugram – 122 001.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of  
HB Estate Developers Limited  
Gurugram**

- We have examined the compliance of conditions of Corporate Governance by **HB ESTATE DEVELOPERS LIMITED** ("the Company"), for the Financial Year ended on 31<sup>st</sup> March, 2017, as stipulated in Regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement entered into by the Company with the Stock Exchange.
- The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and 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 the above mentioned Listing Regulations.
- We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR P. BHOLUSARIA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No.: 000468N

Sd/-  
**AMIT GOEL**  
(PARTNER)  
Membership No.: 092648

**DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

**The Members of  
HB Estate Developers Limited.  
Gurugram**

I, J.M.L. Suri, Director of the Company declare that all the members of the Board of Directors; and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2017.

**For HB Estate Developers Limited**

Sd/-  
**J.M.L. Suri**  
Director  
(DIN: 00002373)

Place : Gurugram  
Date : 29.05.2017

Place : Gurugram  
Date : 29.05.2017

**Form AOC-1**

**Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures.**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Part "A": Subsidiaries: Not Applicable**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| S. No. | Name of Associate Company  | Parsvnath HB Projects Pvt. Ltd |
|--------|--|--------------------------------|
| 1.     | <b>1. Latest audited Balance Sheet Date</b>  | 29.05.2017                     |
| 2.     | <b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>     |                                |
|        | No.  | 24,020                         |
|        | Amount of Investment in Associates/Joint Venture                                     | ₹ 2,40,200/-                   |
|        | Extend of Holding%   | 49%                            |
| 3.     | <b>3. Description of how there is significant influence</b>                          | Shareholding of more than 20%  |
| 4.     | <b>4. Reason why the associate/joint venture is not consolidated</b>                 | N.A.                           |
| 5.     | <b>5. Net worth attributable to shareholding as per latest audited Balance Sheet</b> | Nil                            |
| 6.     | <b>6. Profit/Loss for the year</b>   |                                |
|        | i. Considered in Consolidation   | Yes                            |
|        | ii. Not Considered in Consolidation  | N.A.                           |





**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
HB ESTATE DEVELOPERS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of **HB ESTATE DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate Accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Financial Statements based on our Audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit report under the provisions of the Act and the Rules made there under.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 Financial Control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the Accounting estimates made by the Company's Directors, 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 on the Standalone Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and its Loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - (b) in our opinion proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those Books;
  - (c) the Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
  - (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its Financial Position in its Financial Statements – Refer Note 29.9 to the Financial Statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the Books of Accounts maintained by the Company (Refer Note 29.12 to the Standalone Financial Statements.)

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

**(AMIT GOEL)**  
**PARTNER**  
**(Membership No. 92648)**

**PLACE : Gurugram**  
**DATE : 29.05.2017**

**ANNEXURE – A TO THE AUDITORS' REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended on 31<sup>st</sup> March, 2017, We Report that:

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 management during the year has physically verified the fixed assets 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. The title deeds of immovable property are held in the name of the Company and the same are lying with the bank in connection with the borrowings made by the Company.
2. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. a. The Company has not granted during the year any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act"). However, in respect of one Company, the outstanding recoverable as at the beginning of the year was ₹ 1,41,96,182/- (Including interest receivable) and the maximum amount outstanding at any time during the year and year end balance is ₹ 1,41,96,182/- including interest receivable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act, as applicable to it, with respect to the loans and investment made, to the extent applicable to the Company. As per the information and explanation given to us, the Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public.
6. The nature of the Company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the Company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable to the Company have been generally regularly deposited by the Company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 are as under:-
  - (i) property tax demand of ₹ 68,02,674/- 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.29.1(a))
  - (ii) Vacant Land tax demand of ₹ 2,28,616/- which is being contested by Company in Delhi High Court. (refer note no.29.1(b))
  - (iii) Income tax demand of ₹ 9,50,096/- for which the Company has filed rectification application before the Assessing officer;
  - (iv) Ground Rent as explained in note no.29.1(d)
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans/borrowings from bank/ financial institution. There are no loans or borrowings taken by the Company from government or debenture holders during the year.



## HB ESTATE DEVELOPERS LIMITED

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for the purpose for which those were raised.
10. In our opinion and according to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our Audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

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

(AMIT GOEL)  
PARTNER

PLACE : Gurugram  
DATE : 29.05.2017

(Membership No. 92648)

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(AMIT GOEL)  
PARTNER  
(Membership No. 92648)

PLACE : Gurugram  
DATE : 29.05.2017

### ANNEXURE – B TO THE AUDITORS' REPORT

#### Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HB Estate Developers Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance



# HB ESTATE DEVELOPERS LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

| Particulars                    | Note | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As at<br>31 <sup>st</sup> March, 2016<br>(₹) |
|--------------------------------|------|--|--|
| <b>EQUITY AND LIABILITIES</b>  |      |  |  |
| <b>Shareholders' Funds</b>     |      |  |  |
| Share Capital                  | 2    | 964120308                                    | 964120308                                    |
| Reserves and Surplus           | 3    | -280055540                                   | 9889772                                      |
|                                |      | <b>684064768</b>                             | 974010080                                    |
| <b>Non-Current Liabilities</b> |      |  |  |
| Long-Term Borrowings           | 4    | 3077268574                                   | 2919957348                                   |
| Deferred Tax Liabilities (Net) | 5    | 207461597                                    | 183696292                                    |
| Other Long Term Liabilities    | 6    | 97260594                                     | 103388338                                    |
| Long Term Provisions           | 7    | 4808701                                      | 3323471                                      |
|                                |      | <b>3386799466</b>                            | 3210365449                                   |
| <b>Current Liabilities</b>     |      |  |  |
| Short-Term Borrowings          | 8    | 189287334                                    | 90000000                                     |
| Trade Payables                 | 9    | 179736076                                    | 156072211                                    |
| Other Current Liabilities      | 10   | 70636393                                     | 274452782                                    |
| Short Term Provisions          | 11   | 187441                                       | 147726                                       |
|                                |      | <b>439847244</b>                             | 520672719                                    |
|                                |      | <b>4510711478</b>                            | 4705048248                                   |
| <b>ASSETS</b>                  |      |  |  |
| <b>Non-Current Assets</b>      |      |  |  |
| <b>Fixed Assets</b>            |      |  |  |
| Tangible Assets                | 12   | 4045765757                                   | 4171128326                                   |
| Intangible Assets              |      | 6623024                                      | 8147190                                      |
| Non-current investments        | 13   | 60072623                                     | 60358677                                     |
| Long term loans and advances   | 14   | 8081120                                      | 9837008                                      |
| Other Non Current Assets       | 15   | 34948711                                     | 63278931                                     |
|                                |      | <b>4155491235</b>                            | 4312750132                                   |
| <b>Current Assets</b>          |      |  |  |
| Inventories                    | 16   | 167023317                                    | 189233070                                    |
| Trade receivables              | 17   | 30179899                                     | 55138332                                     |
| Cash and Bank Balances         | 18   | 70979110                                     | 57656682                                     |
| Short-Term Loans and Advances  | 19   | 86982749                                     | 89955281                                     |
| Other Current Assets           | 20   | 55168  | 314751                                       |
|                                |      | <b>355220243</b>                             | 392298116                                    |
|                                |      | <b>4510711478</b>                            | 4705048248                                   |

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 29

The accompanying notes form an integral part of the financial statements

As Per our Report attached on even date  
FOR P.BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/- AMIT GOEL (Partner) Membership No. : 092648  
Sd/- J.M.L. Suri (Director) DIN:00002373  
Sd/- Anil Goyal (Director) DIN:00001938  
FOR AND ON BEHALF OF THE BOARD

PLACE : GURUGRAM DATE : 29.05.2017  
Sd/- Praveen Gupta (Chief Financial Officer)  
Sd/- Radhika Khurana (Company Secretary)

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

| PARTICULARS  | AMOUNT IN ₹<br>YEAR ENDED<br>31ST MARCH,<br>2017 | AMOUNT IN ₹<br>YEAR ENDED<br>31ST MARCH,<br>2016 |
|--|--|--|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>              |  |  |
| Net Profit/(Loss) before tax, extraordinary items          | (266180007)                                      | (276960514)                                      |
| Adjustment for :   |  |  |
| Depreciation / Amortisation                                | 144166163  | 150466320  |
| Loss/(Profit) on Sale of Fixed Assets                      | 0  | 4059   |
| Interest / Dividend Received                               | (5507146)  | (9983889)  |
| Interest Paid  | 302967705  | 305014438  |
| Provision no longer required written back                  | 0  | 0  |
| Profit/Loss on Sale of Long term / Non Current Investments | (987038)   | (3790317)  |
| Provision for Employees Benefit                            | 1524945  | (44602)  |
| Operating Profit before Working Capital changes            | 175984622  | 164705495  |
| Adjustments for :  |  |  |
| Trade & Other receivables/Assets                           | 24700407   | (25153652)                                       |
| Inventories  | 22209754   | (6208828)  |
| Trade Payables & Other Liabilities                         | 16573419   | 50279405   |
| Cash generated from operations                             | 239468202  | 183622420  |
| Direct Tax Paid  | 4555909  | (11034134)                                       |
| Net Cash from Operating Activities (A)                     | 244024111  | 172588286  |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>              |  |  |
| Capital Work in progress / Purchase of Fixed Assets        | (17279427)                                       | (20116526)                                       |
| Sale of Fixed Assets                                       | 0  | 38960  |
| Purchase of Investments                                    | 0  | 0  |
| Sale/decrease of Investments                               | 1273093  | 21656238   |
| Change in other Non-Current Assets                         | 28330220   | 23564860   |
| Change in Loans and Advances / Other Assets                | 1755887  | (2607520)  |
| Change in Loans and Advances / Other Liabilities           | 0  | (866425)   |
| Interest Received  | 5507146  | 9983889  |
| Dividend Received  | 0  | 0  |
| Net Cash received in Investing Activities (B)              | 19586918   | 31653476   |

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

| Particulars  | Note | Year Ended<br>31 <sup>st</sup> March, 2017<br>(₹) | Year Ended<br>31 <sup>st</sup> March, 2016<br>(₹) |
|--|------|---|---|
| Revenue from Operations  | 21   | 734071219   | 680018265   |
| Other Income   | 22   | 13124746  | 21430289  |
| <b>Total Revenue</b>   |      | <b>747195965</b>                                  | <b>701448554</b>                                  |
| <b>Expenses:</b>   |      |   |   |
| Food and Beverages Consumed  | 23   | 65916566  | 70415350  |
| Changes in inventories of Finished Goods/ Stock-in-Trade                 | 24   | 16304496  | 0   |
| Employee Benefit Expense   | 25   | 174345138   | 162096799   |
| Finance Costs  | 26   | 302967705   | 305014438   |
| Depreciation and Amortization  | 12   | 144166163   | 150466320   |
| Other Expenses   | 27   | 310662942   | 294206478   |
| <b>Total Expenses</b>  |      | <b>1014363011</b>                                 | <b>982199386</b>                                  |
| <b>Profit/(Loss) for the year before tax and exceptional items</b>       |      | <b>(267167045)</b>                                | <b>(280750831)</b>                                |
| <b>Exceptional items</b>   |      |   |   |
| Profit/(Loss) on sale of Long Term/Non Current Investments               |      | 987038  | 3790317   |
| <b>Profit/(Loss) for the year before tax and after exceptional items</b> |      | <b>(266180007)</b>                                | <b>(276960515)</b>                                |
| <b>Tax expense:</b>  |      |   |   |
| Current tax  |      | 0   | 0   |
| Deferred Tax Charge  |      | 23765305  | 31334788  |
| <b>Profit/(Loss) for the year</b>  |      | <b>(289945312)</b>                                | <b>(308295303)</b>                                |
| <b>Earning per equity share:</b>   |      |   |   |
| Equity share of Par value ₹ 10/-each (Before Exceptional item) in ₹      | 28   |   |   |
| Basic  |      | (18.03)   | (19.34)   |
| Diluted  |      | (18.03)   | (19.34)   |
| (After Exceptional item) in ₹  |      |   |   |
| Basic  |      | (17.97)   | (19.10)   |
| Diluted  |      | (17.97)   | (19.10)   |
| Number of equity shares used in computing earning per share              |      |   |   |
| Basic  |      | 16138287  | 16138287  |
| Diluted  |      | 16138287  | 16138287  |

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 29

The accompanying notes form an integral part of the financial statements

As Per our Report attached on even date  
FOR P.BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/- AMIT GOEL (Partner) Membership No. : 092648  
Sd/- J.M.L. Suri (Director) DIN:00002373  
Sd/- Anil Goyal (Director) DIN:00001938  
FOR AND ON BEHALF OF THE BOARD

PLACE : GURUGRAM DATE : 29.05.2017  
Sd/- Praveen Gupta (Chief Financial Officer)  
Sd/- Radhika Khurana (Company Secretary)

| PARTICULARS   | AMOUNT IN ₹<br>YEAR ENDED<br>31ST MARCH,<br>2017 | AMOUNT IN ₹<br>YEAR ENDED<br>31ST MARCH,<br>2016 |
|---|--|--|
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                             |  |  |
| Proceeds / (Payment) from / of fractional shares                          | 0  | 0  |
| Proceeds from issue of Preference Share Capital                           | 0  | 0  |
| Proceeds from Borrowings (Net)  | 53744873   | 107705662  |
| Interest paid   | (302967705)                                      | (305014438)                                      |
| <b>Net Cash used in Financing Activities (C)</b>                          | <b>(249222832)</b>                               | <b>(197308776)</b>                               |
| <b>Net increase in Cash and Cash equivalents (A+B+C)</b>                  | <b>14388197</b>                                  | <b>6932986</b>                                   |
| <b>Increase/(Decrease) in Cash &amp; Cash equivalents on Amalgamation</b> |  |  |
| CASH & CASH EQUIVALENTS (OPENING BALANCE)                                 | 52334715   | 45401729   |
| CASH & CASH EQUIVALENTS (CLOSING BALANCE)                                 | 66722912   | 52334715   |
| <b>Components of cash and cash equivalents at the end of the year</b>     |  |  |
| Cash in hand  | 1060715  | 597373   |
| Balances with Scheduled Banks :<br>-In current and deposit accounts       | 65662197   | 51737342   |
|   | <b>66722912</b>                                  | <b>52334715</b>                                  |

The accompanying notes form an integral part of the financial statements

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/- AMIT GOEL (Partner) Membership No. : 092648  
Sd/- J.M.L. Suri (Director) DIN:00002373  
Sd/- Anil Goyal (Director) DIN:00001938  
FOR AND ON BEHALF OF THE BOARD

PLACE : GURUGRAM DATE : 29.05.2017  
Sd/- Praveen Gupta (Chief Financial Officer)  
Sd/- Radhika Khurana (Company Secretary)



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 BASIS OF ACCOUNTING**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are in violation to an existing accounting standard requires a change in the accounting policy hitherto in use.

**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**

- a. Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- 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.
- 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. Borrowing cost during the period of construction is added to the cost of eligible tangible assets.

**1.5 DEPRECIATION/AMORTISATION**

- a. **Tangible Assets**  
Depreciation is provided on Straight Line Method over the useful life of assets in the manner prescribed in Schedule II to the Companies Act, 2013.
- 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 realizable 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.

**2. SHARE CAPITAL**

| Particulars   | As At<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As At<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|---|---|---|
| <b>AUTHORIZED</b>   |   |   |
| 3,50,00,000 (3,50,00,000) Equity Shares of ₹ 10/- each.   | 350000000                                       | 350000000                                       |
| 80,00,000 (80,00,000) Redeemable Preference Shares of ₹ 100/- each  | 800000000                                       | 800000000                                       |
|   | <b>1150000000</b>                               | <b>1150000000</b>                               |
| <b>ISSUED</b>   |   |   |
| 1,69,67,625 (1,69,67,625) Equity Shares of ₹ 10/- each.   | 169676250                                       | 169676250                                       |
| 30,00,000 (30,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹100/- each   | 300000000                                       | 300000000                                       |
| 50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each                              | 500000000                                       | 500000000                                       |
|   | <b>969676250</b>                                | <b>969676250</b>                                |
| <b>SUBSCRIBED &amp; PAID UP</b>   |   |   |
| 1,61,38,287 (1,61,38,287) Equity Shares of ₹ 10/- each fully paid up (See Note 2.1)   | 161382870                                       | 161382870                                       |
| Add: Forfeited shares- 8,29,338 (8,29,338) Equity Shares<br>(Amount originally paid up)   | 2737438   | 2737438   |
| 30,00,000 (30,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each fully paid up (See Note 2.2)           | 300000000                                       | 300000000                                       |
| 50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each fully paid up (See Note 2.3) | 500000000                                       | 500000000                                       |
| <b>Total (in ₹)</b>   | <b>964120308</b>                                | <b>964120308</b>                                |

-- Issued Share Capital of the Company has following classes of shares referred to as under:



2.1 Equity Shares is having par value of ₹ 10/- each. Holder of Equity Shares is entitled to One vote per share. The Dividend proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. 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. Equity Shares include 40,95,995 Equity Shares of ₹ 10/- each fully paid up, issued and allotted for consideration other than cash pursuant to Scheme of Amalgamation of erstwhile Pisces Portfolios Pvt. Ltd. with the Company during Financial Year 2014-15

-- Reconciliation of the number of Equity Shares outstanding and Amount of Equity Share Capital as on 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2016 is as under:

| Particulars   | As at 31 <sup>st</sup> March, 2017 |            | As at 31 <sup>st</sup> March, 2016 |            |
|---|------------------------------------|------------|------------------------------------|------------|
|   | No of shares                       | Amount (₹) | No of shares                       | Amount (₹) |
| Number of shares at the beginning                           | 16138287                           | 161382870  | 16138287                           | 161382870  |
| Add: Issued and allotted pursuant to Scheme of Amalgamation | -                                  | -          | -                                  | -          |
| Number of shares at the end                                 | 16138287                           | 161382870  | 16138287                           | 161382870  |

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

| Name of Shareholders  | As at 31 <sup>st</sup> March, 2017 |              | As at 31 <sup>st</sup> March, 2016 |              |
|-----------------------|------------------------------------|--------------|------------------------------------|--------------|
|                       | Number of shares held              | % of holding | Number of shares held              | % of holding |
| Lalit Bhasin          | 7414473                            | 45.94        | 7414473                            | 45.94        |
| HB Stockholdings Ltd. | 1615608                            | 10.01        | 1615608                            | 10.01        |
| HB Portfolio Ltd      | 2041587                            | 12.65        | 2041587                            | 12.65        |

2.2 Preference Shares having par value of ₹ 100/- were allotted on 29<sup>th</sup> 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 9<sup>th</sup> year from the date of allotment and remaining 50 % at the end of 10<sup>th</sup> year from the date of allotment.

-- Reconciliation of the number of Preference Shares outstanding and Amount of Preference Share Capital as on 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2016 is as under:

| Particulars                             | As at 31 <sup>st</sup> March, 2017 |            | As at 31 <sup>st</sup> March, 2016 |            |
|---|------------------------------------|------------|------------------------------------|------------|
|   | No of shares                       | Amount (₹) | No of shares                       | Amount (₹) |
| Number of shares at the beginning       | 3000000                            | 300000000  | 3000000                            | 300000000  |
| Number of shares issued during the year | 0                                  | 0          | 0                                  | 0          |
| Number of shares at the end             | 3000000                            | 300000000  | 3000000                            | 300000000  |

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

| Name of Shareholders          | As at 31 <sup>st</sup> March, 2017 |              | As at 31 <sup>st</sup> March, 2016 |              |
|-------------------------------|------------------------------------|--------------|------------------------------------|--------------|
|                               | Number of shares held              | % of holding | Number of shares held              | % of holding |
| HB Stockholdings Ltd.         | 750000                             | 25.00        | 750000                             | 25.00        |
| Aquarius Portfolios Pvt. Ltd. | 300000                             | 10.00        | 450000                             | 15.00        |
| Gemini Portfolios Pvt. Ltd    | 350000                             | 11.67        | 300000                             | 10.00        |
| HB Portfolio Ltd.             | 750000                             | 25.00        | 750000                             | 25.00        |
| Merrygold Investments Ltd.    | 750000                             | 25.00        | 750000                             | 25.00        |

2.3 Preference Shares having par value of ₹ 100/- were allotted in March 2015. 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<sup>th</sup> years from the date of allotment. The Preference Shares will be redeemed at par at the end of 10<sup>th</sup> year from the date of allotment.

-- Reconciliation of the number of Preference Shares Series-II outstanding and Amount of Preference Share Capital as on 31<sup>st</sup> March 2017 & 31<sup>st</sup> March, 2016 is as under:

| Particulars                             | As at 31 <sup>st</sup> March, 2017 |            | As at 31 <sup>st</sup> March, 2016 |            |
|---|------------------------------------|------------|------------------------------------|------------|
|   | No of shares                       | Amount (₹) | No of shares                       | Amount (₹) |
| Number of shares at the beginning       | 5000000                            | 500000000  | 5000000                            | 500000000  |
| Number of shares issued during the year | 0                                  | 0          | 0                                  | 0          |
| Number of shares at the end             | 5000000                            | 500000000  | 5000000                            | 500000000  |

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

| Name of Shareholders          | As at 31 <sup>st</sup> March, 2017 |              | As at 31 <sup>st</sup> March, 2016 |              |
|-------------------------------|------------------------------------|--------------|------------------------------------|--------------|
|                               | Number of shares held              | % of holding | Number of shares held              | % of holding |
| Gemini Portfolios Pvt. Ltd    | 2000000                            | 40.00        | 2000000                            | 40.00        |
| Aquarius Portfolios Pvt. Ltd. | 1000000                            | 20.00        | 1000000                            | 20.00        |
| Venus Portfolios Pvt. Ltd     | 2000000                            | 40.00        | 2000000                            | 40.00        |

### 3. RESERVES AND SURPLUS

| Particulars  | As At 31st March, 2017 (In ₹) | As At 31st March, 2016 (In ₹) |
|--|-------------------------------|-------------------------------|
| Capital Reserve - Opening Balance  | 23039795                      | 23039795                      |
| Capital Redemption Reserve - Opening Balance                                 | 20000000                      | 20000000                      |
| Securities Premium Reserve - Opening Balance                                 | 555742116                     | 555742116                     |
| General Reserve - Opening Balance  | 668199083                     | 668199083                     |
| *Statutory Reserve - Opening Balance   | 125903413                     | 125903413                     |
| Surplus -Opening Balance   | -1382994636                   | -1074699333                   |
| Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss | -289945312                    | -308295302                    |
| Surplus-Closing balance  | -1672939947                   | -1382994636                   |
| <b>Total (in ₹)</b>  | <b>-280055540</b>             | <b>9889772</b>                |

\* Created in earlier years under section 45IC of Reserve Bank of India (Amendment) Act, 1997 by way of transfer of specified percentage of Profits by erstwhile Company, Pisces Portfolios Pvt. Ltd. which was amalgamated with the Company in the earlier year.

### 4. LONG TERM BORROWINGS

| Particulars                                   | As At 31 <sup>st</sup> March, 2017 (₹) |                | As At 31 <sup>st</sup> March, 2016 (₹) |                  |
|---|--|----------------|--|------------------|
|   | Non-Current                            | Current        | Non-Current                            | Current          |
| <b>(A) SECURED LOANS:</b>                     |  |                |  |                  |
| <b>Term Loans From Bank</b>                   |  |                |  |                  |
| - Vehicle Loan from HDFC Bank (1)             | 0                                      | 0              | 0                                      | 73069            |
| - Vehicle Loan from ICICI Bank (2)            | 0                                      | 0              | 0                                      | 32618            |
| - Term Loan from Yes Bank- (I) (3)            | 0                                      | 0              | 685600000                              | 189320000        |
| - Term Loan from Yes Bank- (II) (3)           | 682000000                              | 0              | 780000000                              | 16000000         |
| - Term Loan from Yes Bank- (III) (3)          | 1000000000                             | 0              | 0                                      | 0                |
| <b>Total-A</b>                                | <b>1682000000</b>                      | <b>0</b>       | <b>1465600000</b>                      | <b>205425687</b> |
| <b>(B) UNSECURED LOANS</b>                    |  |                |  |                  |
| - Overdraft from State Bank of India (4)      | 146843574                              | 2572000        | 149632348                              | 0                |
| - Term Loan from Religare Finvest Limited (5) | 144000000                              | 0              | 144000000                              | 0                |
| - Intercorporate Loans & Advances (6)         | 1008925000                             | 0              | 1060725000                             | 0                |
| - Loan from Director (7)                      | 95500000                               | 0              | 100000000                              | 0                |
| <b>Total-B</b>                                | <b>1395268574</b>                      | <b>2572000</b> | <b>1454357348</b>                      | <b>0</b>         |
| <b>Total (A+B)</b>                            | <b>3077268574</b>                      | <b>2572000</b> | <b>2919957348</b>                      | <b>205425687</b> |



| - Maturity Profile of Secured Term Loan from banks are as under: |           |           |           |               |
|--|-----------|-----------|-----------|---------------|
| Particulars  | 1-2 years | 2-3 years | 3-4 years | Beyond 4 year |
| - Vehicle Loan from HDFC Bank                                    | Nil       | Nil       | Nil       | Nil           |
| - Vehicle Loan from ICICI Bank                                   | Nil       | Nil       | Nil       | Nil           |
| - Term Loan from Yes Bank (II) (₹ 80 Crore)                      | 0         | 18000000  | 64000000  | 600000000     |
| - Term Loan from Yes Bank (III) (₹ 100 Crore)                    | 4000000   | 19000000  | 37500000  | 939500000     |
| - Maturity Profile of Unsecured Loans are as under:              |           |           |           |               |
|  | 1-2 years | 2-3 years | 3-4 years | Beyond 4 year |
| - Overdraft from State Bank of India                             | 8600000   | 17100000  | 25700000  | 95443574      |
| - Term Loan from Religare Finvest Limited                        | 25926756  | 26726642  | 26726642  | 64619960      |

**(1) Vehicle Loan From HDFC Bank**

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 10% P.A. repayable in 36 monthly installments. Last installment paid in May, 2016.

**(2) Vehicle Loan From ICICI Bank**

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 9.75% P.A. repayable in 36 monthly installments. Last installment paid in April, 2016.

**(3) Term Loans From Yes Bank**

Secured by way of exclusive charge on Company's hotel land and hotel building situated in Sector 44, Gurgaon, exclusive charge on all present and future moveable Fixed Assets and Current Assets of the Project (Taj Vivanta Hotel), personal guarantee of Director Mr. Lalit Bhasin, Non Disposal Undertaking (NDU) of entire Shareholding of the Company held by Mr. Lalit Bhasin, negative lien on his entire Shareholding in the Company for entire tenor of loan facility.

The Term Loan - I disbursed was of ₹ 100 Crore repayable in 56 monthly installments starting from October, 2015. The loan was repaid during the year. Rate of Interest was 12.50%.

The Term Loan - II disbursed was of ₹ 80 Crore repayable in 44 Quarterly installments starting from February, 2016. Last installment due in November, 2026. The Rate of Interest is 12.50%.

The Term Loan - III disbursed during the year is of ₹ 100 Crore repayable in 44 Quarterly installments starting from November, 2018. Last installment due in August, 2029. The Rate of Interest is 2.25% over and above Bank's One Year MCLR.

**(4) Overdraft Facility from State Bank of India**

Secured by way of equitable mortgage of Residential Property bearing no. C-2/7, Safdarjung Development Area, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company and also his personal guarantee. The Rate of Interest is 11.80% P.A. The total loan tenure is of 7 years 10 months. The loan is repayable in 27 quarterly unequal installments starting from 1<sup>st</sup> quarter of 2017-18 and last installment due in 3<sup>rd</sup> quarter of 2023-24.

**(5) Term Loan from Religare Finvest Limited**

Secured by way of mortgage of Property at Plot No. BP-8, Feroze Gandhi Road Lajpat Nagar-III, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company. The Rate of Interest is 13.45% P.A. The loan is repayable in 6 annual unequal installments starting from 1<sup>st</sup> March 2019 and last installment due on 1<sup>st</sup> March 2024.

**(6) Intercompany Loans and Advances are interest free and are repayable beyond 3 years.**
**(7) Interest free Loan from Director, Sh. Lalit Bhasin is repayable beyond 3 years.**
**5. DEFERRED TAX LIABILITY**

| Particulars                       | As at 31 <sup>st</sup> March, 2017 (₹) | As at 31 <sup>st</sup> March, 2016 (₹) |
|-----------------------------------|--|--|
| <b>Liability</b>                  |  |  |
| Fixed Assets                      | 209005405                              | 184768892                              |
| Less: Assets                      |  |  |
| Leave Encashment/Gratuity         | 1543808                                | 1072600                                |
| <b>Net Deferred Tax Liability</b> | <b>207461597</b>                       | <b>183696292</b>                       |

**6. OTHER LONG TERM LIABILITIES**

| Particulars         | As at 31 <sup>st</sup> March, 2017 (₹) | As at 31 <sup>st</sup> March, 2016 (₹) |
|---------------------|--|--|
| Security Deposits*  | 97260594                               | 103388338                              |
| <b>Total (in ₹)</b> | <b>97260594</b>                        | <b>103388338</b>                       |

\* Include due to related parties ₹ 7,49,15,763/- (previous year ₹ 8,06,65,763/-) (refer note no.29.3)

**7. LONG TERM PROVISIONS**

| Particulars                             | As at 31 <sup>st</sup> March, 2017 (₹) | As at 31 <sup>st</sup> March, 2016 (₹) |
|---|--|--|
| <b>Provisions For Employees Benefit</b> |  |  |
| Leave Encashment                        | 1902036                                | 1192261                                |
| Gratuity (net)                          | 2906665                                | 2131210                                |
| <b>Total (in ₹)</b>                     | <b>4808701</b>                         | <b>3323471</b>                         |

**8. SHORT TERM BORROWINGS**

| Particulars                                    | As at 31 <sup>st</sup> March, 2017 (₹) | As at 31 <sup>st</sup> March, 2016 (₹) |
|--|--|--|
| <b>Secured Loan</b>                            |  |  |
| Overdraft Facility from YES Bank Limited *     | 99287334                               | 0                                      |
| <b>Unsecured</b>                               |  |  |
| <b>From Related Party (Refer Note No.29.3)</b> |  |  |
| Intercompany Loans                             | 90000000                               | 90000000                               |
| <b>Total (in ₹)</b>                            | <b>189287334</b>                       | <b>90000000</b>                        |

\* Secured by way of exclusive charge as specified in Note no. 3 in respect of term loan facilities from Yes Bank Ltd.

**9. TRADE PAYABLES**

| Particulars  | As at 31 <sup>st</sup> March, 2017 (₹) | As at 31 <sup>st</sup> March, 2016 (₹) |
|--|--|--|
| Due to Micro, Small & Medium Enterprises (Refer Footnote (i) & (ii)) | 874844                                 | 1977566                                |
| Others   | 178861232                              | 154094645                              |
| <b>Total in ₹</b>  | <b>179736076</b>                       | <b>156072211</b>                       |

(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.  | 874844       | 1977566       |
| (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           |

**10. OTHER CURRENT LIABILITIES**

| Particulars   | As at 31 <sup>st</sup> March, 2017 (₹) | As at 31 <sup>st</sup> March, 2016 (₹) |
|---|--|--|
| Current Maturities of Long term Debts (Refer Note No.4) | 2572000                                | 205425687                              |
| Interest Accrued but not due on borrowings              | 21188110                               | 21820344                               |
| Unclaimed Dividend *                                    | 4256198                                | 5321967                                |
| Expenses Payable  | 26389018                               | 22837947                               |
| Security Deposits                                       | 1373045                                | 720919                                 |
| Advances from Customers                                 | 3457698                                | 7175927                                |
| Statutory Dues  | 11400324                               | 11149991                               |
| <b>Total in ₹</b>                                       | <b>70636393</b>                        | <b>274452782</b>                       |

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

**11. SHORT TERM PROVISIONS**

| Particulars                             | As at 31 <sup>st</sup> March, 2017 (₹) | As at 31 <sup>st</sup> March, 2016 (₹) |
|---|--|--|
| <b>Provisions For Employees Benefit</b> |  |  |
| Leave Encashment                        | 187441                                 | 147726                                 |
| <b>Total in ₹</b>                       | <b>187441</b>                          | <b>147726</b>                          |



12. FIXED ASSETS

(Amount in ₹)

| S. No.    | PARTICULARS                        | GROSS BLOCK       |                           |                            |                   | DEPRECIATION / AMORTISATION |                  |                            |                  | NET BLOCK         |                   |
|-----------|------------------------------------|-------------------|---------------------------|----------------------------|-------------------|-----------------------------|------------------|----------------------------|------------------|-------------------|-------------------|
|           |                                    | AS AT 01.04.2016  | ADDITIONS DURING THE YEAR | ADJUSTMENT DURING THE YEAR | AS AT 31.03.2017  | AS AT 01.04.2016            | FOR THE YEAR     | ADJUSTMENT DURING THE YEAR | UPTO 31.03.2017  | AS AT 31.03.2017  | AS AT 31.03.2016  |
| <b>A.</b> | <b>Tangible Assets</b>             |                   |                           |                            |                   |                             |                  |                            |                  |                   |                   |
| 1         | FREEHOLD LAND                      | 1553037422        | 0                         | 0                          | 1553037422        | 0                           | 0                | 0                          | 1553037422       | 1553037422        |                   |
| 2         | BUILDING                           | 1865634447        | 9090778                   | 0                          | 1874725225        | 91841613                    | 29533902         | 0                          | 121375515        | 1753349710        | 1773792834        |
| 3         | PLANT & EQUIPMENTS                 | 531789775         | 2137418                   | 0                          | 533927193         | 93877285                    | 34324276         | 0                          | 128201561        | 405725632         | 437912490         |
| 4         | FURNITURE & FIXTURES               | 594924858         | 3682605                   | 0                          | 598607463         | 204545059                   | 72467418         | 0                          | 277012478        | 321594985         | 390379798         |
| 5         | VEHICLES                           | 5096466           | 0                         | 0                          | 5096466           | 2313870                     | 651900           | 0                          | 2965770          | 2130696           | 2782596           |
| 6         | OFFICE EQUIPMENTS                  | 2979432           | 68299                     | 0                          | 3047731           | 2094666                     | 232016           | 0                          | 2326682          | 721048            | 884765            |
| 7         | COMPUTERS                          | 41178712          | 214800                    |                            | 41393512          | 28840291                    | 3346956          | 0                          | 32187247         | 9206264           | 12338421          |
|           | <b>Total Tangible Asset(s)</b>     | <b>4594641110</b> | <b>15193899</b>           | <b>0</b>                   | <b>4609835010</b> | <b>423512784</b>            | <b>140556469</b> | <b>0</b>                   | <b>564069253</b> | <b>4045765757</b> | <b>4171128327</b> |
|           | Previous Year                      | 4576253786        | 18436674                  | 49350                      | 4594641110        | 276372226                   | 147146889        | 6331                       | 423512784        | 4171128326        | 4299881560        |
| <b>B.</b> | <b>Intangible Assets</b>           |                   |                           |                            |                   |                             |                  |                            |                  |                   |                   |
| 1         | SOFTWARES                          | 17485867          | 2085528                   | 0                          | 19571395          | 9338677                     | 3609694          | 0                          | 12948371         | 6623024           | 8147190           |
|           | <b>Total Intangible Assets (B)</b> | <b>17485867</b>   | <b>2085528</b>            | <b>0</b>                   | <b>19571395</b>   | <b>9338677</b>              | <b>3609694</b>   | <b>0</b>                   | <b>12948371</b>  | <b>6623024</b>    | <b>8147190</b>    |
|           | Previous Year                      | 15806015          | 1679852                   | 0                          | 17485867          | 6019246                     | 3319431          | 0                          | 9338677          | 8147190           | 9786769           |
|           | <b>Total (A+B)</b>                 | <b>4612126978</b> | <b>17279427</b>           | <b>0</b>                   | <b>4629406405</b> | <b>432851461</b>            | <b>144166163</b> | <b>0</b>                   | <b>577017624</b> | <b>4052388781</b> | <b>4179275517</b> |
|           | Previous Year                      | 4592059802        | 20116526                  | 49350                      | 4612126978        | 282391472                   | 150466320        | 6331                       | 432851461        | 4179275516        | 4309668330        |

13. NON CURRENT INVESTMENTS

| NAME OF THE COMPANY   | Face Value | As at 31.03.2017 |                 | As at 31.03.2016 |                 |
|---|------------|------------------|-----------------|------------------|-----------------|
|   | (₹)        | Qty. (Nos)       | Amount (₹)      | Qty. (Nos)       | Amount (₹)      |
| <b>- Long Term Investments (At Cost)</b>                            |            |                  |                 |                  |                 |
| <b>A. TRADE</b>   |            |                  |                 |                  |                 |
| <b>A. 1 Investments in Equity Instruments</b>                       |            |                  |                 |                  |                 |
| <b>- Fully Paid up Equity Shares in Associate Company(Unquoted)</b> |            |                  |                 |                  |                 |
| Parsvnath HB Projects Pvt. Ltd.                                     | 10         | 24020            | 240200          | 24020            | 240200          |
| <b>Total-A (Trade)</b>  |            | <b>24020</b>     | <b>240200</b>   | <b>24020</b>     | <b>240200</b>   |
| <b>B. OTHER THAN TRADE</b>  |            |                  |                 |                  |                 |
| <b>B.1 Investments in Equity Instruments</b>                        |            |                  |                 |                  |                 |
| <b>- Fully Paid up Equity Shares</b>                                |            |                  |                 |                  |                 |
| <u>Quoted</u>   |            |                  |                 |                  |                 |
| Royal Orchid Hotels Ltd   | 10         | 496              | 81840           | 496              | 81840           |
| RRB Securities Ltd. *   | 10         | 86100            | 8610000         | 86100            | 8610000         |
| Bellary Steel and Alloys Ltd.*                                      | 1          | 100000           | 458443          | 100000           | 458443          |
| Hotline Glass Ltd.*   | 10         | 10000            | 34318           | 10000            | 34318           |
| Jaiprakash Power Ventures Ltd.                                      | 10         | 1543674          | 48944935        | 1543674          | 48944935        |
| Mawana Sugar Ltd  | 10         |                  |                 | 23842            | 286055          |
| Shree Ram Urban Infrastructure Ltd.                                 | 10         | 1000             | 261136          | 1000             | 261136          |
| <u>Unquoted</u>   |            |                  |                 |                  |                 |
| CHL (South) Hotels Ltd.   | 10         | 100000           | 1000000         | 100000           | 1000000         |
| QR Properties Pvt Ltd   | 10         | 5900             | 59000           | 5900             | 59000           |
| HB Prima Capital Ltd.   | 10         | 195000           | 282750          | 195000           | 282750          |
| <b>B.2 Investments in Mutual Fund</b>                               |            |                  |                 |                  |                 |
| <b>- Unquoted Fully Paid up Units</b>                               |            |                  |                 |                  |                 |
| Taurus Dynamic Income Fund  | 10         | 7776             | 100000          | 7776             | 100000          |
| <b>Total-(B) (Other Than Trade) (B1+B2)</b>                         |            | <b>2049946</b>   | <b>59832423</b> | <b>2073788</b>   | <b>60118477</b> |
| <b>Grand Total - (A+B)</b>  |            | <b>2073966</b>   | <b>60072623</b> | <b>2097808</b>   | <b>60358677</b> |

Aggregate amount of Quoted Investments ₹ 5,83,90,672/- ( Previous year ₹ 5,86,76,728/- ) and Market Value thereof ₹ 93,75,659/- ( Previous year ₹ 94,13,334/- )

Aggregate amount of unquoted Investment in shares ₹ 16,81,950/- ( Previous year ₹ 16,81,950/- )

In the opinion of management, no provision is required to be made for diminution amounting to ₹ 4,90,15,013/- (Previous Year ₹ 4,95,85,310/-) in the value of the long term Investments as the same is considered to be temporary.

\* Listed but not quoted



14. LONG TERM LOANS & ADVANCES

| Particulars                       | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As At<br>31 <sup>st</sup> March, 2016<br>(₹) |
|-----------------------------------|--|--|
| <b>Unsecured, Considered Good</b> |  |  |
| Capital Advances                  | 3436220                                      | 4380558                                      |
| Security Deposits                 | 4644900                                      | 5456450                                      |
| <b>Total (in ₹)</b>               | <b>8081120</b>                               | <b>9837008</b>                               |

15. OTHER NON CURRENT ASSETS

| Particulars          | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As At<br>31 <sup>st</sup> March, 2016<br>(₹) |
|----------------------|--|--|
| Deposits with Banks* | 34948711                                     | 63278931                                     |
| <b>Total (in ₹)</b>  | <b>34948711</b>                              | <b>63278931</b>                              |

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

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

| Particulars                          | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As At<br>31 <sup>st</sup> March, 2016<br>(₹) |
|--------------------------------------|--|--|
| Completed Construction (Real Estate) | 119391720                                    | 135696216                                    |
| Food & Beverages                     | 8557880                                      | 13751445                                     |
| Stores and Operating Supplies        | 39073717                                     | 39785409                                     |
| <b>Total (in ₹)</b>                  | <b>167023317</b>                             | <b>189233070</b>                             |

17. TRADE RECEIVABLES

| Particulars                                   | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As At<br>31 <sup>st</sup> March, 2016<br>(₹) |
|---|--|--|
| <b>Unsecured, considered good</b>             |  |  |
| Outstanding for a period exceeding Six Months | 739127                                       | 2320662                                      |
| Others  | 29440772                                     | 52817670                                     |
| <b>Total (in ₹)</b>                           | <b>30179899</b>                              | <b>55138332</b>                              |

18. CASH & BANK BALANCES

| Particulars                        | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As At<br>31 <sup>st</sup> March, 2016<br>(₹) |
|------------------------------------|--|--|
| <b>Cash &amp; Cash Equivalents</b> |  |  |
| Cash-in-Hand                       | 1060715                                      | 597373                                       |
| Balances with Banks                |  |  |
| -In Current and Deposit Accounts   | 65662197                                     | 51737342                                     |
| Other Bank Balances                |  |  |
| -In Earmarked Dividend Accounts    | 4256198                                      | 5321967                                      |
| <b>Total (in ₹)</b>                | <b>70979110</b>                              | <b>57656682</b>                              |

19. SHORT TERM LOANS AND ADVANCES

| Particulars  | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As At<br>31 <sup>st</sup> March, 2016<br>(₹) |
|--|--|--|
| <b>Unsecured, Considered Good</b>  |  |  |
| Loans and Advances to Related Party- Associate*                                    | 14196182                                     | 14196182                                     |
| Inter Corporate Deposit including accrued interest                                 | 25221644                                     | 26221644                                     |
| Prepaid Expenses/Expenses recoverable/ Advances against supplies/Other recoverable | 15979514                                     | 9075516                                      |
| Property Tax, Service tax  | 4936387                                      | 9257006                                      |
| Income Tax and Tax deducted at source  | 26649023                                     | 31204933                                     |
| <b>Total (in ₹)</b>  | <b>86982749</b>                              | <b>89955282</b>                              |

\* To Parsvnath HB Projects Pvt. Ltd.

20. OTHER CURRENT ASSETS

| Particulars                                   | As at<br>31 <sup>st</sup> March, 2017<br>(₹) | As At<br>31 <sup>st</sup> March, 2016<br>(₹) |
|---|--|--|
| Interest accrued but not due on Bank deposits | 55168  | 314751                                       |
| <b>Total (in ₹)</b>                           | <b>55168</b>                                 | <b>314751</b>                                |

21. REVENUE FROM OPERATIONS

| Particulars                                     | For the Year ended<br>31 <sup>st</sup> March, 2017<br>(In ₹) | For the Year ended<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|---|--|--|
| <b>Hotel</b>                                    |  |  |
| Room Income                                     | 397055372  | 352734714  |
| Food & Beverages, Restaurant and Banquet Income | 262626980  | 287867222  |
| Others  | 34983485   | 34142568   |
| <b>Real Estate</b>                              |  |  |
| Sales   | 33887500   | 0  |
| Other Operating Income*                         | 5517883  | 5273760  |
| <b>Total (in ₹)</b>                             | <b>734071219</b>   | <b>680018265</b>   |

\* Includes Rental Income, Facility Charges and Other Claims

22. OTHER INCOME

| Particulars                                | For the Year ended<br>31 <sup>st</sup> March, 2017<br>(In ₹) | For the Year ended<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|--|--|--|
| Interest on Fixed Deposits with Banks      | 4062499  | 6252565  |
| Interest on Income Tax Refund              | 1444647  | 0  |
| Interest on Loans and Deposits             | 0  | 3731324  |
| Other Income                               | 284814   | 2039901  |
| Exchange rate Variation                    | -14582   | 1533   |
| Provisions No Longer Required written back | 7347368  | 9404966  |
| <b>Total (in ₹)</b>                        | <b>13124746</b>  | <b>21430289</b>  |

23. FOOD AND BEVERAGES CONSUMED

| Particulars          | For the Year ended<br>31 <sup>st</sup> March, 2017<br>(In ₹) | For the Year ended<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|----------------------|--|--|
| Opening Stock        | 13751445   | 8569167  |
| Add : Purchases      | 60723001   | 75597628   |
| Less : Closing Stock | 8557880  | 13751445   |
| <b>Total (in ₹)</b>  | <b>65916566</b>  | <b>70415350</b>  |

24. INCREASE/DECREASE IN STOCK-COMPLETED CONSTRUCTION

| Particulars          | For the Year ended<br>31 <sup>st</sup> March, 2017<br>(In ₹) | For the Year ended<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|----------------------|--|--|
| Opening Stock        | 135696216  | 135696216.00   |
| Less : Closing Stock | 119391720  | 135696216.00   |
| <b>Total (in ₹)</b>  | <b>16304496</b>  | <b>0</b>   |

25. EMPLOYEE BENEFIT EXPENSES

| Particulars   | For the Year ended<br>31 <sup>st</sup> March, 2017<br>(In ₹) | For the Year ended<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|---|--|--|
| Salaries and Benefits   | 87942187   | 82965817   |
| Payment to Contractors  | 31083438   | 26691110   |
| Reimbursement of expenses on personnel deputed to the Company | 26978336   | 32063234   |
| Contribution to Provident fund and other fund                 | 5370150  | 4568980  |
| Staff welfare   | 22971027   | 15807659   |
| <b>Total (in ₹)</b>   | <b>174345138</b>   | <b>162096799</b>   |

26. FINANCE COSTS

| Particulars          | For the Year ended<br>31 <sup>st</sup> March, 2017<br>(In ₹) | For the Year ended<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|----------------------|--|--|
| Interest Expense     | 257036813  | 275852638  |
| Loan Processing Fees | 45930892   | 29161800   |
| <b>Total (in ₹)</b>  | <b>302967705</b>   | <b>305014438</b>   |





27. OTHER EXPENSES

| Particulars                                      | For the Year ended<br>31 <sup>st</sup> March, 2017<br>(In ₹) | For the Year ended<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|--|--|--|
| Linen, Room, Catering & Other Supplies/ Services | 29875273   | 32821283   |
| Facility Management Services                     | 15136684   | 11246000   |
| Legal & Professional                             | 12500676   | 5123521  |
| Payment to Orchestra Staff, Artists & Others     | 2165768  | 2104313  |
| Communication                                    | 7735919  | 6604841  |
| Commission to Travel Agents and Others           | 12915240   | 4436530  |
| Advertisements                                   | 6746787  | 15745839   |
| Printing & Stationery                            | 6006504  | 3853291  |
| Conveyance & Travelling                          | 17141435   | 7929465  |
| Repair & Maintenance :                           |  |  |
| To Building                                      | 14114475   | 13351728   |
| To Machinery                                     | 9472849  | 9176958  |
| To others  | 16945015   | 15722445   |
| Fuel, Power and Light                            | 69943694   | 74951367   |
| Listing Fee                                      | 458000   | 224720   |
| Insurance  | 2246566  | 1962106  |
| Subscription                                     | 2602525  | 1271086  |
| Sitting Fees                                     | 400008   | 426479   |
| Miscellaneous                                    | 5527479  | 10341557   |
| Licence Fees                                     | 5038177  | 5053112  |
| Operating Fees                                   | 62704179   | 55636253   |
| Auditors' Remuneration                           |  |  |
| - Audit Fees                                     | 345000   | 326325   |
| - Tax Audit Fees                                 | 57500  | 57250  |
| - Tax Matters                                    | 8626   | 91675  |
| - Limited Review Report                          | 51750  | 51375  |
| - Certification & Others                         | 76375  | 61674  |
|  | 539251   | 588299   |
| Rates & Taxes                                    | 3413954  | 8367442  |
| Discount to Collecting Agents                    | 7032487  | 7267843  |
| <b>Total (in ₹)</b>                              | <b>310662942</b>   | <b>294206478</b>   |

28. EARNING PER SHARE

| Particulars  | Current Year<br>(In ₹) | Previous Year<br>(In ₹) |
|--|------------------------|-------------------------|
| Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders before exceptional items | -290932350             | -312085619              |
| Less: Exceptional Items  | 987038                 | 3790317                 |
| Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders after exceptional items  | -289945312             | -308295303              |
| <b>Weighted Average Nos. of Equity Share Outstanding</b>   | <b>16138287</b>        | <b>16138287</b>         |
| <b>Earning Per Share (face value of ₹10/- each)</b>  |                        |                         |
| <b>Basic and Diluted Earning per share (₹)</b>   |                        |                         |
| <b>- Before Exceptional Items</b>  | <b>-18.03</b>          | <b>-19.34</b>           |
| <b>- After Exceptional Items</b>   | <b>-17.97</b>          | <b>-19.10</b>           |

29 OTHER NOTES

29.1 Contingent liability in respect of:

- (a) Property Tax - ₹ 78,21,151/- (Previous year ₹ 78,21,151/-)  
 The total demand raised by MCD was ₹ 83,85,604/- (Previous Year Rs. 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.

- (b) Vacant Land tax demand raised by MCD ₹ 2,28,616/- (previous year ₹ 2,28,616/-) which is being contested by company in Delhi High Court.  
 (c) Income tax demand for which rectification/appeal has been filed with the appropriate authorities- ₹ 9,50,096/- (previous year ₹ 9,43,640/-).  
 (d) 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 undetermined 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.  
 (e) Claim against the company not acknowledged as debt ₹ 2,77,55,293/- (Previous Year ₹ 2,77,55,293/-)  
 (f) Letter of Credit/Bank guarantee issued by bank ₹ 63,03,000/- (previous year ₹ 3,24,56,440/-).

29.2 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:-

29.2 (a) List of Related parties with whom transactions have taken place and relationship

(a) Key Managerial Personnel

- (i) Mr. Praveen Gupta - CFO  
 (ii) Mr. Rajesh Singh Chahar, Company Secretary (resigned on 31.01.2017)

(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 and 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 HB Projects Pvt. Ltd. - Associate

29.2 (b) Transactions during the year with related party. (Amount in ₹)

| 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             | 3302006<br>(3371685)     | Nil<br>(Nil)             | Nil<br>(Nil)             | Nil<br>(Nil)             | Nil<br>(Nil)             |
| Sitting Fee                               | Nil<br>(Nil)             | 50000<br>(50000)         | Nil<br>(Nil)             | Nil<br>(Nil)             | Nil<br>(Nil)             |
| Rent Received                             | Nil<br>(Nil)             | Nil<br>(Nil)             | 863052<br>(766622)       | 1985600<br>(2153040)     | Nil<br>(Nil)             |
| Sale of Investment through them           | Nil<br>(Nil)             | Nil<br>(Nil)             | 1273093<br>(Nil)         | Nil<br>(Nil)             | Nil<br>(Nil)             |
| DP Charges paid                           | Nil<br>(Nil)             | Nil<br>(Nil)             | Nil<br>(Nil)             | 1306<br>(1838)           | Nil<br>(Nil)             |
| Interest paid on Loan                     | Nil<br>(Nil)             | Nil<br>(Nil)             | Nil<br>(Nil)             | 10800000<br>(10800000)   | Nil<br>(Nil)             |
| Security Deposit received during the year | Nil<br>(Nil)             | Nil<br>(Nil)             | Nil<br>(73278)           | Nil<br>(Nil)             | Nil<br>(Nil)             |
| Security Deposit refund during the year   | Nil<br>(Nil)             | Nil<br>(Nil)             | Nil<br>(Nil)             | 5750000<br>(5750000)     | Nil<br>(Nil)             |



| 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 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Interest Income Received   | Nil                      | Nil                      | Nil                      | Nil                      | Nil                      |
|  | (Nil)                    | (Nil)                    | (Nil)                    | (Nil)                    | (3551324)                |
| Loan Received during the year  | Nil                      | 68000000                 | Nil                      | Nil                      | Nil                      |
|  | (Nil)                    | (215000000)              | (Nil)                    | (Nil)                    | (Nil)                    |
| Loan Repaid during the year  | Nil                      | 72500000                 | Nil                      | Nil                      | Nil                      |
|  | (Nil)                    | (115000000)              | (Nil)                    | (Nil)                    | (Nil)                    |
| Outstanding in respect of Loans including interest accrued as on 31.03.2017 (Payable)        | Nil                      | 95500000                 | Nil                      | 92396712                 | Nil                      |
|  | (Nil)                    | (100000000)              | (Nil)                    | (92396712)               | (Nil)                    |
| Outstanding in respect of Loans and Advances including interest accrued thereon (Receivable) | Nil                      | Nil                      | Nil                      | Nil                      | 14196182                 |
|  | (Nil)                    | (Nil)                    | (Nil)                    | (Nil)                    | (14196182)               |
| Outstanding Payable in respect of Security Deposit received                                  | Nil                      | Nil                      | 215763                   | 74700000                 | Nil                      |
|  | (Nil)                    | (Nil)                    | (215763)                 | (80450000)               | (Nil)                    |

29.2 (c) Disclosure in respect of material 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 ₹ 23,96,712/- (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.; ₹ Nil (previous year ₹ 57,50,000/-) from HB Leasing & Finance Co. Ltd.; ₹ 57,00,000/- (previous year ₹ 57,00,000/-) from RRB Securities Ltd. and ₹ 2,15,763/- (previous year ₹ 2,15,763/-) from RRB Master Securities Delhi Ltd.
- (iii) Short term Loan and advances includes ₹ 1,41,96,181/- (Previous Year ₹ 1,41,96,181/-) from Parsvnath HB Projects Pvt. Ltd.
- (iv) Unsecured Loan from director includes ₹ 9,55,00,000/- (Previous Year ₹ 10,00,00,000) from Mr. Lalit Bhasin.

29.2 (d) The above transactions for the previous year also include transactions of erstwhile Pisces Portfolios Pvt. Ltd. with its related parties which though may not be related parties of the Company.

29.3 (a) C.I.F. Value of Imports

| Particulars                   | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|-------------------------------|---|---|
| Stores and Operating Supplies | 1225527                                   | 730693                                    |
| Capital Goods                 | 1031730                                   | 1581781                                   |

(b) Expenditure in Foreign Currency

| Particulars          | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|----------------------|---|---|
| Legal & Professional | 794438                                    | 514936                                    |
| Advertisement        | 2782275                                   | 3551980                                   |
| Others               | 6975982                                   | 3199334                                   |

(c) Earning in Foreign Currency:

| Particulars    | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|----------------|---|---|
| Sale / Revenue | 263741095                                 | 239806214                                 |

(d) Dividend paid in Foreign Currency - Nil (Previous Year Nil).

29.4 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 | 1526001             | 1898011              | 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)       | 2208811               | 1962095       | 1339987                         | 1520073       |
| Adjustment for increase (decrease) in opening obligation (B)           | Nil                   | Nil           | Nil                             | Nil           |
| Interest Cost (C)  | 172433                | 156968        | 100499                          | 121606        |
| Current Service Cost (D)   | 1042967               | 765714        | 975169                          | 700004        |
| Benefits paid (E)  | -186550               | -83787        | -549177                         | -150587       |
| Actuarial Loss/ (Gain) on obligation (F)                               | 181121                | -592179       | 222999                          | -851109       |
| Present value of obligations as at the end of the year (G=A+B+C+D-E+F) | 3418782               | 2208811       | 2089477                         | 1339987       |

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

| Particulars   | Gratuity (Funded) (In ₹)                       |               | Leave (Unfunded) (In ₹) |               |
|---|--|---------------|-------------------------|---------------|
|   | Current Year                                   | Previous Year | Current Year            | Previous Year |
| Present value of obligation (A)                     | 3418782  | 2208811       | 2089477                 | 1339987       |
| Estimated fair value of plan assets (B)             | 512117   | 77591         | Nil                     | Nil           |
| Net Liability (C=A-B)                               | 2906665  | 2131220       | 2089477                 | 1339987       |
| <b>Amounts in the Balance Sheet</b>                 |  |               |                         |               |
| Liabilities   | 2906665  | 2131220       | 2089477                 | 1339987       |
| <b>Amount charged to Profit &amp; Loss Account</b>  |  |               |                         |               |
| Current Service Cost                                | 1042967  | 765714        | 975169                  | 700004        |
| Interest Cost                                       | 172433   | 156968        | 100499                  | 121606        |
| Expected Return on Plan Asset                       | -19468   | -10310        | Nil                     | Nil           |
| Actuarial(Gain)/Loss                                | 181121   | -592179       | 222999                  | -851109       |
| Adjustment  | 0  | 0             | 0                       | 0             |
|   | 1377053  | 320193        | 1298667                 | -29499        |
| 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 (In ₹) | Previous Year (In ₹) |
| i) Actual return on plan assets | 19468               | 10310                |

(e) Following are the Principal Actuarial Assumptions used as at the Balance Sheet date

| Particulars                            | Gratuity     |               |
|--|--------------|---------------|
|  | Current Year | Previous Year |
| Discount Rate                          | 7.50%        | 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 (In ₹) | Previous Year (In ₹) |
| Opening Fair Value of Plan Assets | 77591               | 59831                |
| Expected Return on Plan Assets    | 19468               | 10310                |
| Actuarial Gains / (Losses)        | Nil                 | Nil                  |
| Contribution by the Employer      | 580635              | 308113               |
| Benefits Paid                     | 165577              | 300663               |
| Closing Fair Value of Plan Assets | 512117              | 77591                |

29.5 Foreign Currency Exposures :-

There are no hedged / unhedged Foreign Currency Exposure as at the year end (previous year Nil)


**29.6 Disclosure of Loans/Advances in the nature of loans in terms of provision of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- (Amount in ₹)**

| Particulars  | Outstanding Balance as on 31.03.2017 | Max. Balance Outstanding during the year | Outstanding Balance as on 31.03.2016 | 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:-<br>-Parsvnath HB Projects Private Limited  | 14196182                             | 14196182                                 | 14196182                             | 14196182  |
| 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                        | Amount                                   | No. of Shares                        | Amount  |
|  | Nil                                  | Nil                                      | Nil                                  | Nil   |

**29.7 Detail of consumption of Imported and Indigenous Items:**

| Particulars                     | Current Year    |                  | Previous Year   |                  |
|---------------------------------|-----------------|------------------|-----------------|------------------|
|                                 | Amount (In ₹)   | % of Consumption | Amount (In ₹)   | % of Consumption |
| <b>(i) Raw Materials</b>        |                 |                  |                 |                  |
| Imported                        | 0               | 0.00             | 0               | 0                |
| Indigenous                      | 65916566        | 100.00           | 70415350        | 100              |
| <b>Total</b>                    | <b>65916566</b> | <b>100.00</b>    | <b>70415350</b> | <b>100.00</b>    |
| <b>(ii) Stores and Supplies</b> |                 |                  |                 |                  |
| Imported                        | 1074664         | 3.60             | 310438          | 0.95             |
| Indigenous                      | 28800608        | 96.40            | 32510845        | 99.05            |
| <b>Total</b>                    | <b>29875273</b> | <b>100.00</b>    | <b>32821283</b> | <b>100.00</b>    |

**29.8 Disclosure pursuant to Accounting Standard (AS-19) for Leases: -**

The Company generally enters into cancellable Operating Lease of Office Premises and Residence of the Employees normally renewable on expiry. Lease payments amounting to ₹ 62,01,350/- (Previous Year ₹ 61,08,180/-) made under Operating Lease have been recognized as an Expense.

**29.9 Pending Litigations:**

The Contingent liability in respect of pending litigations is disclosed in note no. 29.1 (a),(b),(c),(d) and (e). In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the Company's results of Operations or Financial Statements.

**29.10** The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**29.11** The Company had filed a Composite Scheme of Arrangement ('the Scheme') amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 before the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. The matter now stands transferred to National Company Law Tribunal (NCLT), Chandigarh as per the provisions of Sections 230 to 233 of the Companies Act, 2013. The Appointed Date for the Scheme is opening of business hours as on April 2, 2015 & April 3, 2015 as defined in Part A of the Scheme. The effect of the Scheme on the Financial Statements of the Company from the said Appointed Date shall be given upon sanction of Scheme by the NCLT and receipt of various other requisite approvals.

**29.12 Disclosure on Specified Bank Notes (SBNs)**

In terms of MCA notification G.S.R 308(E) dated March 30<sup>th</sup>, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8<sup>th</sup>, 2016 to December 30<sup>th</sup>, 2016, is as under:

| Particulars                           | SBNs (₹) | Other denomination notes (₹) | Total (₹) |
|---------------------------------------|----------|------------------------------|-----------|
| Closing cash in hand as on 08.11.2016 | 527500   | 152354                       | 679854    |
| (+) Permitted receipts                | 0        | 2164638                      | 2164638   |
| (-) Permitted payments                | 0        | 399001                       | 399001    |
| (-) Amount deposited in Banks         | 527500   | 1002223                      | 1529723   |
| Closing cash in hand as on 30.12.2016 | 0        | 915768                       | 915768    |

**29.13** Previous year figures have been regrouped/reclassified wherever necessary to confirm the current year presentation

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Firm Registration Number :000468N

Sd/-  
AMIT GOEL  
(Partner)  
Membership No. : 092648

Sd/-  
J.M.L. Suri  
(Director)  
DIN:00002373

Sd/-  
Anil Goyal  
(Director)  
DIN:00001938

PLACE : GURUGRAM  
DATE : 29.05.2017

Sd/-  
Praveen Gupta  
(Chief Financial Officer)

Sd/-  
Radhika Khurana  
(Company Secretary)



**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To,  
**The Members**  
**Of HB ESTATE DEVELOPERS LIMITED**

**1. Report on the Consolidated Financial Statements.**

We have audited the accompanying Consolidated Financial Statements of **HB ESTATE DEVELOPERS LIMITED** (hereinafter referred to as "the Holding Company") and its Associate, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information (herein after referred to as "the Consolidated Financial Statements").

**2. Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated Financial Performance and Consolidated Cash Flows of the Group including its Associate in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Companies included in the Group and of its Associate are responsible for maintenance of adequate Accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting Records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our Audit. While conducting the Audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design Audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the Audit evidence obtained by us and the Audit evidence obtained by the other Auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our Audit opinion on the Consolidated Financial statements.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 of the Consolidated State of Affairs of the Group and its Associate as at 31st March, 2017, and their Consolidated Loss and their Consolidated Cash Flows for the year ended on that date.

**5. Other matters**

- (a) The Consolidated Financial Statements include the Group's share of net loss of Rs. Nil/- for the year ended 31st March, 2017, as considered in the Consolidated Financial Statements, in respect of one Associate, whose Financial Statements / Financial Information have not been audited by us. These Financial Statements / Financial Information are unaudited and have been furnished to us by the Management and our opinion on /the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such Unaudited Financial Statements / Financial Information. (Also refer note no.29.1).

Our opinion on the Consolidated Financial Statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with regard to our reliance on the Financial Statements / Financial Information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper Books of Account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those Books and the reports of the other Auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant Books of Account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and certificate from management of Associate Company where the Financial Statements are Audited, none of the directors of the Group companies and its Associate Company is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the Consolidated Financial Position of the Group and its Associate. – Refer Note 29.10 to the Consolidated Financial Statements;
    - ii. The Group and its Associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its Consolidated Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the Books of Accounts maintained by the Company (Refer Note 29.14 to the Consolidated Financial Statements.)

**For P. BHOLUSARIA & CO.**  
**Chartered Accountants**  
**Firm Registration Number: 000468N**

**PLACE : Gurugram**  
**DATE : 29.05.2017**

**Sd/-**  
**(AMIT GOEL)**  
**PARTNER**  
**(Membership No. 92648)**

**Annexure – A to the Auditors' Report**

**Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2017, We have Audited the Internal Financial Controls over financial reporting of HB Estate Developers Limited ("the Holding Company") and its Associate Company which is Company incorporated in India, as of that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

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

A Company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

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

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

**Opinion**

In our opinion, the Holding Company and its Associate Company, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March 2017, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P. BHOLUSARIA & CO.**  
Chartered Accountants  
Firm Registration Number: 000468N

**PLACE : Gurugram**  
**DATE : 29.05.2017**

**Sd/-**  
**(AMIT GOEL)**  
**PARTNER**  
**(Membership No. 92648)**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

| Particulars  | Note           | As at                               | As at                               |
|--|----------------|-------------------------------------|-------------------------------------|
|  |                | 31 <sup>ST</sup> MARCH, 2017<br>(₹) | 31 <sup>ST</sup> MARCH, 2016<br>(₹) |
| <b>EQUITY AND LIABILITIES</b>                                |                |                                     |                                     |
| <b>Shareholders' Funds</b>                                   |                |                                     |                                     |
| Share Capital  | 2              | 964120308                           | 964120308                           |
| Reserves and Surplus   | 3              | -280295740                          | 9649572                             |
|  |                | <b>683824568</b>                    | <b>973769880</b>                    |
| <b>Non-Current Liabilities</b>                               |                |                                     |                                     |
| Long-Term Borrowings   | 4              | 3077268574                          | 2919957348                          |
| Deferred Tax Liabilities (Net)                               | 5              | 207461597                           | 183696292                           |
| Other Long Term Liabilities                                  | 6              | 97260594                            | 103388338                           |
| Long Term Provisions   | 7              | 4808701                             | 3323471                             |
|  |                | <b>3386799466</b>                   | <b>3210365449</b>                   |
| <b>Current Liabilities</b>                                   |                |                                     |                                     |
| Short-Term Borrowings  | 8              | 189287334                           | 90000000                            |
| Trade Payables   | 9              | 179736076                           | 156072211                           |
| Other Current Liabilities                                    | 10             | 70636393                            | 274452782                           |
| Short Term Provisions  | 11             | 187441                              | 147726                              |
|  |                | <b>439847244</b>                    | <b>520672719</b>                    |
|  |                | <b>4510471278</b>                   | <b>4704808048</b>                   |
| <b>ASSETS</b>  |                |                                     |                                     |
| <b>Non-Current Assets</b>                                    |                |                                     |                                     |
| <b>Fixed Assets</b>  |                |                                     |                                     |
| Tangible Assets  | 12             | 4045765757                          | 4171128326                          |
| Intangible Assets  |                | 6623024                             | 8147190                             |
| Non-current investments                                      | 13             | 59832423                            | 60118477                            |
| Long term Loans and Advances                                 | 14             | 8081120                             | 9837008                             |
| Other Non Current Assets                                     | 15             | 34948711                            | 63278931                            |
|  |                | <b>4155251035</b>                   | <b>4312509932</b>                   |
| <b>Current Assets</b>  |                |                                     |                                     |
| Inventories  | 16             | 167023317                           | 189233070                           |
| Trade receivables  | 17             | 30179899                            | 55138332                            |
| Cash and Bank Balances                                       | 18             | 70979110                            | 57656682                            |
| Short-Term Loans and Advances                                | 19             | 86982749                            | 89955281                            |
| Other Current Assets   | 20             | 55168                               | 314751                              |
|  |                | <b>355220243</b>                    | <b>392298116</b>                    |
|  |                | <b>4510471278</b>                   | <b>4704808048</b>                   |
| <b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b> | <b>1 to 29</b> |                                     |                                     |

The accompanying notes form an integral part of the Consolidated Financial Statements As Per our Report attached on even date

**FOR P. BHOLUSARIA & CO.**  
**CHARTERED ACCOUNTANTS**

Firm Registration Number :000468N

**Sd/-**  
**AMIT GOEL**  
**(Partner)**  
Membership No. : 092648

**Sd/-**  
**J.M.L. Suri**  
**(Director)**  
DIN:00002373

**Sd/-**  
**Anil Goyal**  
**(Director)**  
DIN:00001938

**PLACE : GURUGRAM**  
**DATE : 29.05.2017**

**Sd/-**  
**Praveen Gupta**  
**(Chief Financial Officer)**

**Sd/-**  
**Radhika Khurana**  
**(Company Secretary)**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

| Particulars  | Note           | AS AT                               | AS AT                               |
|--|----------------|-------------------------------------|-------------------------------------|
|  |                | 31 <sup>ST</sup> MARCH, 2017<br>(₹) | 31 <sup>ST</sup> MARCH, 2016<br>(₹) |
| Revenue from Operations  | 21             | 734071219                           | 680018265                           |
| Other Income   | 22             | 13124746                            | 21430289                            |
| <b>Total Revenue</b>   |                | <b>747195965</b>                    | <b>701448554</b>                    |
| <b>Expenses:</b>   |                |                                     |                                     |
| Food and Beverages Consumed  | 23             | 65916566                            | 70415350                            |
| Changes in inventories of Finished Goods/ Stock-in-Trade                         | 24             | 16304496                            | 0                                   |
| Employee Benefit Expense   | 25             | 174345138                           | 162096799                           |
| Finance Costs  | 26             | 302967705                           | 305014438                           |
| Depreciation and Amortization  | 12             | 144166163                           | 150466320                           |
| Other Expenses   | 27             | 310662942                           | 294206478                           |
| <b>Total Expenses</b>  |                | <b>1014363011</b>                   | <b>982199386</b>                    |
| <b>Profit/(Loss) for the year before tax and exceptional items</b>               |                | <b>(267167045)</b>                  | <b>(280750831)</b>                  |
| <b>Exceptional items</b>   |                |                                     |                                     |
| Profit/(Loss) on sale of Long Term/Non Current Investments                       |                | 987038                              | 3790317                             |
| <b>Profit/(Loss) for the year before tax and after exceptional items</b>         |                | <b>(266180007)</b>                  | <b>(276960515)</b>                  |
| <b>Tax expense:</b>  |                |                                     |                                     |
| Current tax  |                | 0                                   | 0                                   |
| Deferred Tax Charge  |                | 23765305                            | 31334788                            |
| Profit/(Loss) for the year after tax before Share of Profit/(Loss) in Associates |                | <b>(289945312)</b>                  | <b>(308295303)</b>                  |
| Share of Profit/(Loss) in Associates   |                |                                     | (240200)                            |
| <b>Profit/(Loss) for the year after tax</b>                                      |                | <b>(289945312)</b>                  | <b>(308535503)</b>                  |
| <b>Earning per equity share:</b>   |                |                                     |                                     |
| Equity share of Par value ₹ 10/-each (Before Exceptional item) in ₹              | 28             |                                     |                                     |
| Basic  |                | (18.03)                             | (19.35)                             |
| Diluted  |                | (18.03)                             | (19.35)                             |
| (After Exceptional item) in ₹  |                |                                     |                                     |
| Basic  |                | (17.97)                             | (19.12)                             |
| Diluted  |                | (17.97)                             | (19.12)                             |
| Number of equity shares used in computing earning per share                      |                |                                     |                                     |
| Basic  |                | 16138287                            | 16138287                            |
| Diluted  |                | 16138287                            | 16138287                            |
| <b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>                     | <b>1 to 29</b> |                                     |                                     |

The accompanying notes form an integral part of the Consolidated Financial Statements As Per our Report attached on even date

**FOR P. BHOLUSARIA & CO.**  
**CHARTERED ACCOUNTANTS**

Firm Registration Number :000468N

**Sd/-**  
**AMIT GOEL**  
**(Partner)**  
Membership No. : 092648

**Sd/-**  
**J.M.L. Suri**  
**(Director)**  
DIN:00002373

**Sd/-**  
**Anil Goyal**  
**(Director)**  
DIN:00001938

**PLACE : GURUGRAM**  
**DATE : 29.05.2017**

**Sd/-**  
**Praveen Gupta**  
**(Chief Financial Officer)**

**Sd/-**  
**Radhika Khurana**  
**(Company Secretary)**


**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

| PARTICULARS   | Amount (in ₹)<br>Year ended<br>31 <sup>st</sup> March, 2017 | Amount (in ₹)<br>Year ended<br>31 <sup>st</sup> March, 2016 |
|---|---|---|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>                             |   |   |
| Net Profit/(Loss) before tax, extraordinary items                         | (266180007)   | (277200714)   |
| Adjustment for :  |   |   |
| Depreciation/Amortisation   | 144166163   | 150466320   |
| Loss/(Profit) on sale of fixed assets                                     | 0   | 4059  |
| Interest/Dividend Received  | (5507146)   | (9983889)   |
| Interest Paid   | 302967705   | 305014438   |
| Provision no longer required written back                                 | 0   | 0   |
| Profit/Loss on sale of long term/non current investments                  | (987038)  | (3790317)   |
| Provision for Employees Benefit   | 1524945   | (44602)   |
| Operating Profit before Working Capital Changes                           | 175984622   | 164465295   |
| Adjustments for :   |   |   |
| Trade & other receivables/Assets  | 24700407  | (25153652)  |
| Inventories   | 22209754  | (6208828)   |
| Trade Payables & other Liabilities  | 16573419  | 50279405  |
| Cash generated from operations  | 239468202   | 183382220   |
| Direct Tax Paid   | 4555910   | (11034134)  |
| <b>Net Cash from Operating Activities (A)</b>                             | <b>244024112</b>  | <b>172348086</b>  |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>                             |   |   |
| Capital Work in progress/Purchase of Fixed Assets                         | (17279427)  | (20116526)  |
| Sale of Fixed Assets  | 0   | 38960   |
| Purchase of Investments   | 0   | 0   |
| Sale/decrease of Investments  | 1273093   | 21896438  |
| Change in other non-current assets  | 28330220  | 23564860  |
| Change in Loan and advances/other assets                                  | 1755887   | (2607520)   |
| Change in Loan and advances/other Liabilities                             | 0   | (866425)  |
| Interest Received   | 5507146   | 9983889   |
| Dividend Received   |   |   |
| <b>Net Cash received in Investing Activities (B)</b>                      | <b>19586919</b>   | <b>31893676</b>   |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                             |   |   |
| Proceeds/(Payment) from/of fractional shares                              | 0   | 0   |
| Proceeds from issue of Preference Share Capital                           | 0   | 0   |
| Proceeds from Borrowings (Net)  | 53744873  | 107705662   |
| Interest paid   | (302967705)   | (305014438)   |
| <b>Net Cash used in Financing Activities (C)</b>                          | <b>(249222832)</b>  | <b>(197308776)</b>  |
| <b>Net increase in Cash and Cash equivalents (A+B+C)</b>                  | <b>14388199</b>   | <b>6932986</b>  |
| <b>Increase/(Decrease) in Cash &amp; Cash equivalents on Amalgamation</b> |   |   |
| CASH & CASH EQUIVALENTS   |   |   |
| <b>(OPENING BALANCE)</b>  | <b>52334715</b>   | <b>45401729</b>   |
| CASH & CASH EQUIVALENTS   |   |   |
| <b>(CLOSING BALANCE)</b>  | <b>66722913</b>   | <b>52334715</b>   |
| <b>Components of cash and cash equivalents at the end of the year</b>     |   |   |
| Cash on hand  | 1060715   | 597373  |
| Balances with scheduled banks :   |   |   |
| -In current and deposit accounts  | 65662197  | 51737342  |
|   | <b>66722913</b>   | <b>52334715</b>   |

The accompanying notes form an integral part of the Consolidated Financial Statements

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-  
AMIT GOEL  
(Partner)  
Membership No. : 092648

PLACE : GURUGRAM  
DATE : 29.05.2017

FOR AND ON BEHALF OF THE BOARD

|  |  |
|--|--|
| Sd/-<br>J.M.L. Suri<br>(Director)<br>DIN:00002373  | Sd/-<br>Anil Goyal<br>(Director)<br>DIN:00001938 |
| Sd/-<br>Praveen Gupta<br>(Chief Financial Officer) | Sd/-<br>Radhika Khurana<br>(Company Secretary)   |



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2017

### 1 SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

#### 1.1 PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements relate to HB Estate Developers Ltd. (the company) and its associate company Parsvnath HB Projects Pvt. Ltd. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis:

- As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances and are presented to, in the same manner as the company's separate financial statements.
- In the case of associates, where the company directly or indirectly through subsidiaries holds more than 20% of the equity (except where significant influence does not exist), Investments in Associates are accounted for using equity method in accordance with the Accounting Standard (AS)-23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- The company accounts for its shares in the change in net assets of the associates, post acquisition after eliminating unrealized profit & loss resulting from transaction between the company and its associates to the extent of its share, through its profit & loss account to the extent such change in attributable to the associate's profit and loss account and through its reserves for the balance, based on available information.

#### 1.2 INVESTMENTS

Investments other than in associates have been accounted as per Accounting Standard (AS)-13 "Accounting for Investment"

#### 1.3 OTHER SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

##### a) BASIS OF ACCOUNTING

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### b) 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.

#### 1.4 REVENUE RECOGNITION

- Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- 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.
- 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.
  - Income from services is accounted for on the basis of the bills raised on customers.
  - 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.

#### 1.5 FIXED ASSET

Fixed Assets are stated at cost less depreciation/amortisation and impairment losses, if any. Borrowing cost during the period of construction is added to the cost of eligible tangible assets.

#### 1.6 DEPRECIATION/AMORTISATION

##### 1.6a Tangible Assets

Depreciation is provided on Straight Line Method over the useful life of assets in the manner prescribed in Schedule II to the Companies Act, 2013.

##### 1.6b Intangible Assets

Intangible Assets (Software) are amortised over a period of five years.

#### 1.7 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 realizable value whichever is lower.

#### 1.8 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.

#### 1.9 EMPLOYEE BENEFITS

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

- 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.
- 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.
- 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.
- Termination benefits are recognized as an Expense as and when incurred.
- 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.

#### 1.10 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.

#### 1.11 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.

#### 1.12 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.

#### 1.13 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.

#### 1.14 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 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**
**2. SHARE CAPITAL**

| Particulars   | As at 31 <sup>st</sup> March, 2017<br>(In ₹) |            | As at 31 <sup>st</sup> March, 2016<br>(In ₹) |            |
|---|--|------------|--|------------|
|   | No of shares                                 | Amount (₹) | No of shares                                 | Amount (₹) |
| <b>AUTHORIZED</b>   |  |            |  |            |
| 3,50,00,000 (3,50,00,000) Equity Shares of ₹ 10/- each.   | 350000000                                    |            | 350000000                                    |            |
| 80,00,000 (80,00,000) Redeemable Preference Shares of ₹ 100/- each  | 800000000                                    |            | 800000000                                    |            |
|   | <b>1150000000</b>                            |            | <b>1150000000</b>                            |            |
| <b>ISSUED</b>   |  |            |  |            |
| 1,69,67,625 (1,69,67,625) Equity Shares of ₹ 10/- each.   | 169676250                                    |            | 169676250                                    |            |
| 30,00,000 (30,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each  | 300000000                                    |            | 300000000                                    |            |
| 50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each                              | 500000000                                    |            | 500000000                                    |            |
|   | <b>969676250</b>                             |            | <b>969676250</b>                             |            |
| <b>SUBSCRIBED &amp; PAID UP</b>   |  |            |  |            |
| 1,61,38,287 (1,61,38,287) Equity Shares of ₹ 10/- each fully paid up (See Note 2.1)   | 161382870                                    |            | 161382870                                    |            |
| Add: Forfeited shares- 8,29,338 (8,29,338) Equity Shares<br>(Amount originally paid up)   | 2737438                                      |            | 2737438                                      |            |
| 30,00,000 (30,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each fully paid up (See Note 2.2)           | 300000000                                    |            | 300000000                                    |            |
| 50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each fully paid up (See Note 2.3) | 500000000                                    |            | 500000000                                    |            |
| <b>Total (in ₹)</b>   | <b>964120308</b>                             |            | <b>964120308</b>                             |            |

— Issued Share capital of the Company has following classes of shares referred to as under:

2.1 Equity Shares is having par value of ₹ 10/ each. Holder of Equity Shares is entitled to One vote per share. The dividend Proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. 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. Equity Shares include 40,95,995 Equity Shares of ₹ 10 each fully paid up, issued and allotted for consideration other than cash pursuant to Scheme of amalgamation of erstwhile Pisces Portfolios Pvt. Ltd. with the company during financial year 2014-15

— Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2016 is as under:

| Particulars   | As At 31 <sup>st</sup> March, 2017 |            | As at 31 <sup>st</sup> March, 2016 |            |
|---|------------------------------------|------------|------------------------------------|------------|
|   | No of shares                       | Amount (₹) | No of shares                       | Amount (₹) |
| Number of shares at the beginning                           | 16138287                           | 161382870  | 16138287                           | 161382870  |
| Add: Issued and allotted pursuant to Scheme of Amalgamation |                                    |            |                                    |            |
| Number of shares at the end                                 | 16138287                           | 161382870  | 16138287                           | 161382870  |

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

| Name of Shareholders  | As at 31 <sup>st</sup> March, 2017 |              | As at 31 <sup>st</sup> March, 2016 |              |
|-----------------------|------------------------------------|--------------|------------------------------------|--------------|
|                       | Number of shares held              | % of holding | Number of shares held              | % of holding |
| Lalit Bhasin          | 7414473                            | 45.94        | 7414473                            | 45.94        |
| HB Stockholdings Ltd. | 1615608                            | 10.01        | 1615608                            | 10.01        |
| HB Portfolio Ltd      | 2041587                            | 12.65        | 2041587                            | 12.65        |

2.2 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.

— Reconciliation of the number of Preference Shares outstanding and Amount of Preference Share Capital as on 31<sup>st</sup> March 2017 & 31<sup>st</sup> March, 2016 is as under:

| Particulars                             | As at 31 <sup>st</sup> March, 2017 |            | As at 31 <sup>st</sup> March, 2016 |            |
|---|------------------------------------|------------|------------------------------------|------------|
|   | No of shares                       | Amount (₹) | No of shares                       | Amount (₹) |
| Number of shares at the beginning       | 3000000                            | 300000000  | 3000000                            | 300000000  |
| Number of shares issued during the year | 0                                  | 0          | 0                                  | 0          |
| Number of shares at the end             | 3000000                            | 300000000  | 3000000                            | 300000000  |

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

| Name of shareholder           | As at 31 <sup>st</sup> March, 2017 |              | As at 31 <sup>st</sup> March, 2016 |              |
|-------------------------------|------------------------------------|--------------|------------------------------------|--------------|
|                               | Number of shares held              | % of holding | Number of shares held              | % of holding |
| HB Stockholdings Ltd.         | 750000                             | 25.00        | 750000                             | 25.00        |
| Aquarius Portfolios Pvt. Ltd. | 300000                             | 10.00        | 450000                             | 15.00        |
| Gemini Portfolios Pvt. Ltd    | 350000                             | 11.67        | 300000                             | 10.00        |
| HB Portfolio Ltd.             | 750000                             | 25.00        | 750000                             | 25.00        |
| Merrygold Investments Ltd.    | 750000                             | 25.00        | 750000                             | 25.00        |

2.3 Preference Shares having par value of ₹ 100/- were allotted in March 2015. 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 at the end of 10th year from the date of allotment.

— Reconciliation of the number of Preference Shares Series-II outstanding and Amount of Preference Share Capital as on 31<sup>st</sup> March 2017 & 31<sup>st</sup> March, 2016 is as under:

| Particulars                             | As at 31 <sup>st</sup> March, 2017 |            | As at 31 <sup>st</sup> March, 2016 |            |
|---|------------------------------------|------------|------------------------------------|------------|
|   | No of shares                       | Amount (₹) | No of shares                       | Amount (₹) |
| Number of shares at the beginning       | 5000000                            | 500000000  | 5000000                            | 500000000  |
| Number of shares issued during the year | 0                                  | 0          | 0                                  | 0          |
| Number of shares at the end             | 5000000                            | 500000000  | 5000000                            | 500000000  |

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

| Name of shareholder           | As at 31 <sup>st</sup> March, 2017 |              | As at 31 <sup>st</sup> March, 2016 |              |
|-------------------------------|------------------------------------|--------------|------------------------------------|--------------|
|                               | Number of shares held              | % of holding | Number of shares held              | % of holding |
| Gemini Portfolios Pvt. Ltd    | 2000000                            | 40.00        | 2000000                            | 40.00        |
| Aquarius Portfolios Pvt. Ltd. | 1000000                            | 20.00        | 1000000                            | 20.00        |
| Venus Portfolios Pvt. Ltd     | 2000000                            | 40.00        | 2000000                            | 40.00        |

**3. RESERVES AND SURPLUS**

| Particulars  | As at 31 <sup>st</sup> March, 2017<br>(In ₹) | As at 31 <sup>st</sup> March, 2016<br>(In ₹) |
|--|--|--|
| Capital Reserve - Opening Balance  | 23039795                                     | 23039795                                     |
|  | 23039795                                     | 23039795                                     |
| Capital Redemption Reserve - Opening Balance                                 | 20000000                                     | 20000000                                     |
|  | 20000000                                     | 20000000                                     |
| Securities Premium Reserve - Opening Balance                                 | 555742116                                    | 555742116                                    |
|  | 555742116                                    | 555742116                                    |
| General Reserve - Opening Balance  | 668199083                                    | 668199083                                    |
|  | 668199083                                    | 668199083                                    |
| *Statutory Reserve - Opening Balance   | 125903413                                    | 125903413                                    |
|  | 125903413                                    | 125903413                                    |
| Surplus - Opening Balance  | -1383234836                                  | -1074699333                                  |
| Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss | -289945312                                   | -308535502                                   |
| Surplus-Closing balance  | -1673180147                                  | -1383234836                                  |
| <b>Total (in ₹)</b>  | <b>-280295740</b>                            | <b>9649572</b>                               |





4. LONG TERM BORROWINGS

| Particulars   | As At 31 <sup>st</sup> March, 2017<br>(In ₹) |                  | As At 31 <sup>st</sup> March, 2016<br>(In ₹) |                      |
|---|--|------------------|--|----------------------|
|   | Non-Current                                  | Current          | Non-Current                                  | Current              |
| <b>(A) SECURED LOANS:</b>   |  |                  |  |                      |
| <b>Term Loans From Bank</b>   |  |                  |  |                      |
| - Vehicle Loan from HDFC Bank (1)                                       | 0  | 0                | 0  | 73069                |
| - Vehicle Loan from ICICI Bank (2)                                      | 0  | 0                | 0  | 32618                |
| - Term Loan from Yes Bank- (I) (3)                                      | 0  | 0                | 685600000                                    | 189320000            |
| - Term Loan from Yes Bank- (II) (3)                                     | 682000000                                    | 0                | 780000000                                    | 16000000             |
| - Term Loan from Yes Bank- (III) (3)                                    | 1000000000                                   | 0                | 0  | 0                    |
| <b>Total-A</b>  | <b>1682000000</b>                            | <b>0</b>         | <b>1465600000</b>                            | <b>205425687</b>     |
| <b>(B) UNSECURED LOANS</b>  |  |                  |  |                      |
| - Overdraft from State Bank of India (4)                                | 146843574                                    | 2572000          | 149632348                                    | 0                    |
| - Term Loan from Religare Finvest Limited (5)                           | 144000000                                    | 0                | 144000000                                    | 0                    |
| - Intercorporate Loans & Advances (6)                                   | 1008925000                                   | 0                | 1060725000                                   | 0                    |
| - Loan from Director (7)  | 95500000                                     | 0                | 100000000                                    | 0                    |
| <b>Total-B</b>  | <b>1395268574</b>                            | <b>2572000</b>   | <b>1454357348</b>                            | <b>0</b>             |
| <b>Total (A+B)</b>  | <b>3077268574</b>                            | <b>2572000</b>   | <b>2919957348</b>                            | <b>205425687</b>     |
| <b>- Maturity Profile of Secured Term Loan from banks are as under:</b> |  |                  |  |                      |
|   | <b>1-2 years</b>                             | <b>2-3 years</b> | <b>3-4 years</b>                             | <b>Beyond 4 year</b> |
| - Vehicle Loan from HDFC Bank   | Nil  | Nil              | Nil  | Nil                  |
| - Vehicle Loan from ICICI Bank  | Nil  | Nil              | Nil  | Nil                  |
| - Term Loan from Yes Bank (II) (₹ 80 Crore)                             | 0  | 180000000        | 640000000                                    | 600000000            |
| - Term Loan from Yes Bank (III) (₹ 100 Crore)                           | 4000000                                      | 190000000        | 375000000                                    | 939500000            |
| <b>- Maturity Profile of Unsecured Loans are as under:</b>              |  |                  |  |                      |
|   | <b>1-2 years</b>                             | <b>2-3 years</b> | <b>3-4 years</b>                             | <b>Beyond 4 year</b> |
| - Overdraft from State Bank of India                                    | 8600000                                      | 17100000         | 25700000                                     | 95443574             |
| - Term Loan from Religare Finvest Limited                               | 25926756                                     | 26726642         | 26726642                                     | 64619960             |

(1) **Vehicle Loan From HDFC Bank**

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 10% P.A. repayable in 36 monthly installments. Last installment paid in May, 2016.

(2) **Vehicle Loan From ICICI Bank**

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 9.75% P.A. repayable in 36 monthly installments. Last installment paid in April, 2016.

(3) **Term Loans From Yes Bank**

Secured by way of exclusive charge on Company's hotel land and hotel building situated in Sector 44, Gurgaon, exclusive charge on all present and future moveable Fixed Assets and current assets of the Project (Taj Vivanta Hotel), personal guarantee of Director Mr. Lalit Bhasin, Non Disposal Undertaking (NDU) of entire Shareholding of the Company held by Mr. Lalit Bhasin, negative lien on his entire shareholding in the Company for entire tenor of loan facility.

The Term Loan - I disbursed was of ₹ 100 Crore repayable in 56 monthly installments starting from October, 2015. The loan was repaid during the year. Rate of Interest was 12.50%.

The Term Loan - II disbursed was of ₹ 80 Crore repayable in 44 Quarterly installments starting from February, 2016. Last installment due in November, 2026. The Rate of Interest is 12.50%.

The Term Loan - III disbursed during the year is of ₹ 100 Crore repayable in 44 Quarterly installments starting from November, 2018. Last installment due in August, 2029. The Rate of Interest is 2.25% over and above Bank's One Year MCLR.

(4) **Overdraft Facility from State Bank of India**

Secured by way of equitable mortgage of Residential Property bearing no. C-2/7, Safdarjung Development Area, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company and also his personal guarantee. The Rate of Interest is 11.80% P.A. The total loan tenure is of 7 years 10 months. The loan is repayable in 27 quarterly unequal installments starting from 1st quarter of 2017-18 and last installment due in 3rd quarter of 2023-24.

(5) **Term Loan from Religare Finvest Limited**

Secured by way of mortgage of Property at Plot No. BP-8, Feroze Gandhi Road, Lajpat Nagar-III, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company. The Rate of Interest is 13.45% P.A. The loan is repayable in 6 annual unequal installments starting from 1<sup>st</sup> March, 2019 and last installment due on 1<sup>st</sup> March, 2024.

(6) Intercorporate Loans and Advances are interest free and are repayable beyond 3 years.

(7) Interest free Loan from Director, Sh. Lalit Bhasin is repayable beyond 3 years.

5. DEFERRED TAX LIABILITY

| Particulars                       | As at 31 <sup>st</sup> March, 2017<br>(In ₹) | As at 31 <sup>st</sup> March, 2016<br>(In ₹) |
|-----------------------------------|--|--|
| <b>Liability</b>                  |  |  |
| Fixed Assets                      | 209005405                                    | 184768892                                    |
| Less: Assets                      |  |  |
| Leave Encashment/Gratuity         | 1543808                                      | 1072600                                      |
| <b>Net Deferred Tax Liability</b> | <b>207461597</b>                             | <b>183696292</b>                             |

6. OTHER LONG TERM LIABILITIES

| Particulars         | As at 31 <sup>st</sup> March, 2017<br>(In ₹) | As at 31 <sup>st</sup> March, 2016<br>(In ₹) |
|---------------------|--|--|
| Security Deposits*  | 97260594                                     | 103388338                                    |
| <b>Total (in ₹)</b> | <b>97260594</b>                              | <b>103388338</b>                             |

\* include due to related parties ₹ 7,49,15,763/- (previous year ₹ 8,06,65,763/-) (refer note no.29.3)

7. LONG TERM PROVISIONS

| Particulars                             | As at 31 <sup>st</sup> March, 2017<br>(In ₹) | As at 31 <sup>st</sup> March, 2016<br>(In ₹) |
|---|--|--|
| <b>Provisions For Employees Benefit</b> |  |  |
| Leave Encashment                        | 1902036                                      | 1192261                                      |
| Gratuity (net)                          | 2906665                                      | 2131210                                      |
| <b>Total (in ₹)</b>                     | <b>4808701</b>                               | <b>3323471</b>                               |

8. SHORT TERM BORROWINGS

| Particulars                                    | As at 31 <sup>st</sup> March, 2017<br>(In ₹) | As at 31 <sup>st</sup> March, 2016<br>(In ₹) |
|--|--|--|
| <b>Secured Loan</b>                            |  |  |
| Overdraft Facility from YES Bank Limited *     | 99287334                                     | 0  |
| <b>Unsecured</b>                               |  |  |
| <b>From Related Party (Refer Note No.29.3)</b> |  |  |
| Incorporated Loan                              | 90000000                                     | 90000000                                     |
| <b>Total (in ₹)</b>                            | <b>189287334</b>                             | <b>90000000</b>                              |

\* Secured by way of exclusive charge as specified in Note no. 3 in respect of term loan facilities from Yes Bank Ltd.

9. TRADE PAYABLES

| Particulars  | As at 31 <sup>st</sup> March, 2017<br>(In ₹) | As at 31 <sup>st</sup> March, 2016<br>(In ₹) |
|--|--|--|
| Due to Micro, Small & Medium Enterprises (Refer Footnote (i) & (ii)) | 874844                                       | 1977566                                      |
| Others   | 178861232                                    | 154094645                                    |
| <b>Total (in ₹)</b>  | <b>179736076</b>                             | <b>156072211</b>                             |

(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<br>(In ₹) | Previous Year<br>(In ₹) |
|---|------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year.  | 874844                 | 1977566                 |
| (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                     |



10. OTHER CURRENT LIABILITIES

| Particulars   | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|---|---|---|
| Current Maturities of Long term Debts (Refer Note No.4) | 2572000                                   | 205425687                                 |
| Interest Accrued but not due on borrowings              | 21188110                                  | 21820344                                  |
| Unclaimed Dividend *                                    | 4256198                                   | 5321967                                   |
| Expenses Payable  | 26389018                                  | 22837947                                  |
| Security Deposits                                       | 1373045                                   | 720919                                    |
| Advances from Customers                                 | 3457698                                   | 7175927                                   |
| Statutory Dues  | 11400324                                  | 11149991                                  |
| <b>Total (in ₹)</b>                                     | <b>70636393</b>                           | <b>274452782</b>                          |

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

11. SHORT TERM PROVISIONS

| Particulars                             | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|---|---|---|
| <b>Provisions For Employees Benefit</b> |   |   |
| Leave Encashment                        | 187441                                    | 147726                                    |
| <b>Total (in ₹)</b>                     | <b>187441</b>                             | <b>147726</b>                             |

12. FIXED ASSETS

| S No.     | PARTICULARS                        | GROSS BLOCK          |                               |                                | DEPRECIATION/A MORTISATION |                      |                  |                                | NET BLOCK           |                      |                      |
|-----------|------------------------------------|----------------------|-------------------------------|--------------------------------|----------------------------|----------------------|------------------|--------------------------------|---------------------|----------------------|----------------------|
|           |                                    | AS AT 01.04.2016 (₹) | ADDITIONS DURING THE YEAR (₹) | ADJUSTMENT DURING THE YEAR (₹) | AS AT 31.03.2017 (₹)       | AS AT 01.04.2016 (₹) | FOR THE YEAR (₹) | ADJUSTMENT DURING THE YEAR (₹) | UPTO 31.03.2017 (₹) | AS AT 31.03.2017 (₹) | AS AT 31.03.2016 (₹) |
| <b>A.</b> | <b>Tangible Assets</b>             |                      |                               |                                |                            |                      |                  |                                |                     |                      |                      |
| 1         | FREEHOLD LAND                      | 1553037422           | 0                             | 0                              | 1553037422                 | 0                    | 0                | 0                              | 1553037422          | 1553037422           |                      |
| 2         | BUILDING                           | 1865634447           | 9090778                       | 0                              | 1874725225                 | 91841613             | 29533902         | 0                              | 121375515           | 1753349710           | 1773792834           |
| 3         | PLANT & EQUIPMENTS                 | 531789775            | 2137418                       | 0                              | 533927193                  | 93877285             | 34324276         | 0                              | 128201561           | 405725632            | 437912490            |
| 4         | FURNITURE & FIXTURES               | 594924858            | 3682605                       | 0                              | 598607463                  | 204545059            | 72467418         | 0                              | 277012478           | 321594985            | 390379798            |
| 5         | VEHICLES                           | 5096466              | 0                             | 0                              | 5096466                    | 2313870              | 651900           | 0                              | 2965770             | 2130696              | 2782596              |
| 6         | OFFICE EQUIPMENTS                  | 2979432              | 68299                         | 0                              | 3047731                    | 2094666              | 232016           | 0                              | 2326682             | 721048               | 884765               |
| 7         | COMPUTERS                          | 41178712             | 214800                        | 0                              | 41393512                   | 28840291             | 3346956          | 0                              | 32187247            | 9206264              | 12338421             |
|           | <b>Total Tangible Assets (A)</b>   | <b>4594641110</b>    | <b>15193899</b>               | <b>0</b>                       | <b>4609835010</b>          | <b>423512784</b>     | <b>140556469</b> | <b>0</b>                       | <b>564069253</b>    | <b>4045765757</b>    | <b>4171128327</b>    |
|           | Previous Year                      | 4576253786           | 18436674                      | 49350                          | 4594641110                 | 276372226            | 147146889        | 6331                           | 423512784           | 4171128326           | 4299881560           |
| <b>B.</b> | <b>Intangible Assets</b>           |                      |                               |                                |                            |                      |                  |                                |                     |                      |                      |
| 1         | SOFTWARES                          | 17485867             | 2085528                       | 0                              | 19571395                   | 9338677              | 3609694          | 0                              | 12948371            | 6623024              | 8147190              |
|           | <b>Total Intangible Assets (B)</b> | <b>17485867</b>      | <b>2085528</b>                | <b>0</b>                       | <b>19571395</b>            | <b>9338677</b>       | <b>3609694</b>   | <b>0</b>                       | <b>12948371</b>     | <b>6623024</b>       | <b>8147190</b>       |
|           | Previous Year                      | 15806015             | 1679852                       | 0                              | 17485867                   | 6019246              | 3319431          | 0                              | 9338677             | 8147190              | 9786769              |
|           | <b>Total (A+B)</b>                 | <b>4612126978</b>    | <b>17279427</b>               | <b>0</b>                       | <b>4629406405</b>          | <b>432851461</b>     | <b>144166163</b> | <b>0</b>                       | <b>577017624</b>    | <b>4052388781</b>    | <b>4179275517</b>    |
|           | Previous Year                      | 4592059802           | 20116526                      | 49350                          | 4612126978                 | 282391472            | 150466320        | 6331                           | 432851461           | 4179275516           | 4309668330           |

13. NON CURRENT INVESTMENTS

| Name of the Company   | Face Value (₹) | As at 31.03.2017 |                 | As at 31.03.2016 |                 |
|---|----------------|------------------|-----------------|------------------|-----------------|
|   |                | Qty (Nos)        | Amount (₹)      | Qty (Nos)        | Amount (₹)      |
| <b>- Long Term Investments (At Cost)</b>                            |                |                  |                 |                  |                 |
| <b>A. TRADE</b>   |                |                  |                 |                  |                 |
| <b>A.1 Investments in Equity Instruments</b>                        |                |                  |                 |                  |                 |
| <b>- Fully Paid up Equity Shares in Associate Company(Unquoted)</b> |                |                  |                 |                  |                 |
| Parsvnath HB Projects Pvt. Ltd.                                     | 10             | 24020            | 240200          | 24020            | 240200          |
| Add/(Less):Group Share of Profit/(Losses) upto 31.03.2017           |                |                  | -240200         |                  | -240200         |
| <b>Total-A (Trade)</b>  |                | <b>24020</b>     | <b>0</b>        | <b>24020</b>     | <b>0</b>        |
| <b>B. OTHER THAN TRADE</b>  |                |                  |                 |                  |                 |
| <b>B.1 Investments in Equity Instruments</b>                        |                |                  |                 |                  |                 |
| <b>- Fully Paid up Equity Shares</b>                                |                |                  |                 |                  |                 |
| <u>Quoted</u>   |                |                  |                 |                  |                 |
| Royal Orchid Hotels Ltd   | 10             | 496              | 81840           | 496              | 81840           |
| RRB Securities Ltd. *   | 10             | 86100            | 8610000         | 86100            | 8610000         |
| Bellary Steel and Alloys Ltd.*                                      | 1              | 100000           | 458443          | 100000           | 458443          |
| Hotline Glass Ltd.*   | 10             | 10000            | 34318           | 10000            | 34318           |
| Jaiprakash Power Ventures Ltd.                                      | 10             | 1543674          | 48944935        | 1543674          | 48944935        |
| Mawana Sugar Ltd  | 10             |                  |                 | 23842            | 286055          |
| Shree Ram Urban Infrastructure Ltd.                                 | 10             | 1000             | 261136          | 1000             | 261136          |
| <u>Unquoted</u>   |                |                  |                 |                  |                 |
| CHL (South) Hotels Ltd.   | 10             | 100000           | 1000000         | 100000           | 1000000         |
| QR Properties Pvt Ltd   | 10             | 5900             | 59000           | 5900             | 59000           |
| HB Prima Capital Ltd.   | 10             | 195000           | 282750          | 195000           | 282750          |
| <b>B.2 Investments in Mutual Fund</b>                               |                |                  |                 |                  |                 |
| <b>- Unquoted Fully Paid up Units</b>                               |                |                  |                 |                  |                 |
| Taurus Dynamic Income Fund  | 10             | 7776             | 100000          | 7776             | 100000          |
| <b>Total-(B) (Other Than Trade) (B1+B2)</b>                         |                | <b>2049946</b>   | <b>59832423</b> | <b>2073788</b>   | <b>60118477</b> |
| <b>Grand Total - (A+B)</b>  |                | <b>2073966</b>   | <b>59832423</b> | <b>2097808</b>   | <b>60118477</b> |

Aggregate amount of Quoted Investments ₹ 5,83,90,672/- ( Previous year ₹ 5,86,76,728/- ) and Market Value thereof ₹ 93,75,659/- ( Previous year ₹ 94,13,334/- )

Aggregate amount of unquoted Investment in shares ₹ 16,81,950/- ( Previous year ₹ 16,81,950/- )

In the opinion of management, no provision is required to be made for diminution amounting to ₹ 4,90,15,013/- (Previous Year ₹ 4,95,85,310/-) in the value of the long term Investments as the same is considered to be temporary.

\* Listed but not quoted

**14. LONG TERM LOANS & ADVANCES**

| Particulars                       | As at<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As at<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|-----------------------------------|---|---|
| <b>Unsecured, Considered Good</b> |   |   |
| Capital Advances                  | 3436220   | 4380558   |
| Security Deposits                 | 4644900   | 5456450   |
| <b>Total (in ₹)</b>               | <b>8081120</b>                                  | <b>9837008</b>                                  |

**15. OTHER NON CURRENT ASSETS**

| Particulars          | As at<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As at<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|----------------------|---|---|
| Deposits with Banks* | 34948711  | 63278931  |
| <b>Total (in ₹)</b>  | <b>34948711</b>                                 | <b>63278931</b>                                 |

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

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

| Particulars                          | As at<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As at<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|--------------------------------------|---|---|
| Completed Construction (Real Estate) | 119391720                                       | 135696216                                       |
| Food & Beverages                     | 8557880   | 13751445  |
| Stores and Operating Supplies        | 39073717  | 39785409  |
| <b>Total (in ₹)</b>                  | <b>167023317</b>                                | <b>189233070</b>                                |

**17. TRADE RECEIVABLES**

| Particulars                                   | As at<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As at<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|---|---|---|
| <b>Unsecured, considered good</b>             |   |   |
| Outstanding for a period exceeding Six Months | 739127  | 2320662   |
| Others  | 29440772  | 52817670  |
| <b>Total (in ₹)</b>                           | <b>30179899</b>                                 | <b>55138332</b>                                 |

**18. CASH & BANK BALANCES**

| Particulars                        | As at<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As at<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|------------------------------------|---|---|
| <b>Cash &amp; Cash Equivalents</b> |   |   |
| Cash-in-Hand                       | 1060715   | 597373  |
| Balances with Banks                |   |   |
| -In Current and Deposit Accounts   | 65662197  | 51737342  |
| Other Bank Balances                |   |   |
| -In Earmarked Dividend Accounts    | 4256198   | 5321967   |
| <b>Total (in ₹)</b>                | <b>70979110</b>                                 | <b>57656682</b>                                 |

**19. SHORT TERM LOANS AND ADVANCES**

| Particulars  | As at<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As at<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|--|---|---|
| <b>Unsecured, Considered Good</b>  |   |   |
| Loans and Advances to Related Party- Associate*                                    | 14196182  | 14196182  |
| Inter Corporate Deposit including accrued interest                                 | 25221644  | 26221644  |
| Prepaid Expenses/Expenses recoverable/ Advances against supplies/Other recoverable | 15979514  | 9075516   |
| Property Tax, Service tax  | 4936387   | 9257006   |
| Income Tax and Tax deducted at source  | 26649023  | 31204933  |
| <b>Total (in ₹)</b>  | <b>86982749</b>                                 | <b>89955281</b>                                 |

\* To Parsvnath HB Projects Pvt. Ltd.

**20. OTHER CURRENT ASSETS**

| Particulars                                   | As at<br>31 <sup>st</sup> March, 2017<br>(In ₹) | As at<br>31 <sup>st</sup> March, 2016<br>(In ₹) |
|---|---|---|
| Interest accrued but not due on Bank deposits | 55168   | 314751  |
| <b>Total (in ₹)</b>                           | <b>55168</b>                                    | <b>314751</b>                                   |

**21. REVENUE FROM OPERATIONS**

| Particulars                                     | For the<br>Year ended<br>31 <sup>st</sup> March, 2017<br>(in ₹) | For the<br>Year ended<br>31 <sup>st</sup> March, 2016<br>(in ₹) |
|---|---|---|
| <b>Hotel</b>                                    |   |   |
| Room Income                                     | 397055372   | 352734714   |
| Food & Beverages, Restaurant and Banquet Income | 262626980   | 287867222   |
| Others  | 34983485  | 34142568  |
| <b>Real Estate</b>                              |   |   |
| Sales   | 33887500  | 0   |
| Other Operating Income*                         | 5517883   | 5273760   |
| <b>Total (in ₹)</b>                             | <b>734071219</b>  | <b>680018265</b>  |

\* Includes Rental Income, Facility Charges and Other Claims

**22. OTHER INCOME**

| Particulars                                | For the<br>Year ended<br>31 <sup>st</sup> March, 2017<br>(in ₹) | For the<br>Year ended<br>31 <sup>st</sup> March, 2016<br>(in ₹) |
|--|---|---|
| Interest On Fixed Deposits with banks      | 4062499   | 6252565   |
| Interest On Income Tax Refund              | 1444647   | 0   |
| Interest on Loans and Deposits             | 0   | 3731324   |
| Other Income                               | 284814  | 2039901   |
| Exchange rate Variation                    | -14582  | 1533  |
| Provisions No Longer Required written back | 7347368   | 9404966   |
| <b>Total (in ₹)</b>                        | <b>13124746</b>   | <b>21430289</b>   |

**23. FOOD AND BEVERAGES CONSUMED**

| Particulars          | For the<br>Year ended<br>31 <sup>st</sup> March, 2017<br>(in ₹) | For the<br>Year ended<br>31 <sup>st</sup> March, 2016<br>(in ₹) |
|----------------------|---|---|
| Opening Stock        | 13751445  | 8569167   |
| Add : Purchases      | 60723001  | 75597628  |
| Less : Closing Stock | 8557880   | 13751445  |
| <b>Total (in ₹)</b>  | <b>65916566</b>   | <b>70415350</b>   |

**24. INCREASE/DECREASE IN STOCK-COMPLETED CONSTRUCTION**

| Particulars          | For the<br>Year ended<br>31 <sup>st</sup> March, 2017<br>(in ₹) | For the<br>Year ended<br>31 <sup>st</sup> March, 2016<br>(in ₹) |
|----------------------|---|---|
| Opening Stock        | 135696216   | 135696216.00  |
| Less : Closing Stock | 119391720   | 135696216.00  |
| <b>Total (in ₹)</b>  | <b>16304496</b>   | <b>0</b>  |

**25. EMPLOYEE BENEFIT EXPENSES**

| Particulars   | For the<br>Year ended<br>31 <sup>st</sup> March, 2017<br>(in ₹) | For the<br>Year ended<br>31 <sup>st</sup> March, 2016<br>(in ₹) |
|---|---|---|
| Salaries and Benefits   | 87942187  | 82965817  |
| Payment to Contractors  | 31083438  | 26691110  |
| Reimbursement of expenses on personnel deputed to the Company | 26978336  | 32063234  |
| Contribution to Provident fund and other fund                 | 5370150   | 4568980   |
| Staff welfare   | 22971027  | 15807659  |
| <b>Total (in ₹)</b>   | <b>174345138</b>  | <b>162096799</b>  |

**26. FINANCE COSTS**

| Particulars          | For the<br>Year ended<br>31 <sup>st</sup> March, 2017<br>(in ₹) | For the<br>Year ended<br>31 <sup>st</sup> March, 2016<br>(in ₹) |
|----------------------|---|---|
| Interest Expense     | 257036813   | 275852638   |
| Loan Processing Fees | 45930892  | 29161800  |
| <b>Total (in ₹)</b>  | <b>302967705</b>  | <b>305014438</b>  |



27. OTHER EXPENSES

| Particulars                                      | For the Year ended 31 <sup>st</sup> March, 2017 (in ₹) | For the Year ended 31 <sup>st</sup> March, 2016 (in ₹) |
|--|--|--|
| Linen, Room, Catering & Other Supplies/ Services | 29875273   | 32821283   |
| Facility Management Services                     | 15136684   | 11246000   |
| Legal & Professional                             | 12500676   | 5123521  |
| Payment to Orchestra Staff, Artists & Others     | 2165768  | 2104313  |
| Communication                                    | 7735919  | 6604841  |
| Commission to Travel Agents and Others           | 12915240   | 4436530  |
| Advertisements                                   | 6746787  | 15745839   |
| Printing & Stationery                            | 6006504  | 3853291  |
| Conveyance & Travelling                          | 17141435   | 7929465  |
| Repair & Maintenance :                           |  |  |
| To Building                                      | 14114475   | 13351728   |
| To Machinery                                     | 9472849  | 9176958  |
| To others  | 16945015   | 15722445   |
| Fuel, Power and Light                            | 69943694   | 74951367   |
| Listing Fee                                      | 458000   | 224720   |
| Insurance  | 2246566  | 1962106  |
| Subscription                                     | 2602525  | 1271086  |
| Sitting Fees                                     | 400008   | 426479   |
| Miscellaneous                                    | 5527479  | 10341557   |
| Licence Fees                                     | 5038177  | 5053112  |
| Operating Fees                                   | 62704179   | 55636253   |
| Auditors' Remuneration                           |  |  |
| - Audit Fees                                     | 345000   | 326325   |
| - Tax Audit Fees                                 | 57500  | 57250  |
| - Tax Matters                                    | 8626   | 91675  |
| - Limited Review Report                          | 51750  | 51375  |
| - Certification & Others                         | 76375  | 61674  |
| 588299   | 539251   | 588299   |
| Rates & Taxes                                    | 3413954  | 8367442  |
| Discount to Collecting Agents                    | 7032487  | 7267843  |
| <b>Total (in ₹)</b>                              | <b>310662942</b>                                       | <b>294206478</b>                                       |

28. EARNING PER SHARE (IN ₹):

| Particulars  | Current Year ₹  | Previous Year ₹ |
|--|-----------------|-----------------|
| Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders before exceptional items | -290932350      | -312085619      |
| Less: Exceptional Items  | 987038          | 3790317         |
| Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders after exceptional items  | -289945312      | -308295303      |
| <b>Weighted Average Nos. of Equity Share Outstanding</b>   | <b>16138287</b> | <b>16138287</b> |
| <b>Earning Per Share (face value of ₹10/- each)</b>  |                 |                 |
| <b>Basic and Diluted Earning per share (₹)</b>   |                 |                 |
| - Before Exceptional Items   | -18.03          | -19.34          |
| - After Exceptional Items  | -17.97          | -19.10          |

29. OTHER NOTES

29.1 The accompanying Consolidated Financial Statements consider the following Associates Companies.

| S No. | Name of Associates Company      | Country of Incorporation | Proportion of ownership interest |
|-------|---------------------------------|--------------------------|----------------------------------|
| (i)   | Parsvnath HB Projects Pvt. Ltd. | India                    | 49.00%                           |

29.2 Contingent liability in respect of:

(a) Property Tax - ₹ 78,21,151/- (Previous year ₹ 78,21,151/-)  
 The total demand raised by MCD was ₹ 83,85,604/- (Previous Year Rs.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.

- (b) Vacant Land tax demand raised by MCD Rs. 2,28,616/- (previous year ₹ 2,28,616/) which is being contested by company in Delhi High Court.
- (c) Income tax demand for which rectification/appeal has been filed with the appropriate authorities- ₹ 9,50,096/- (previous year ₹ 9,43,640/-).
- (d) 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 undetermined 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.
- (e) Claim against the company not acknowledged as debt ₹2,77,55,293/- (Previous Year ₹2,77,55,293/-)
- (f) Letter of Credit/Bank guarantee issued by bank ₹ 63,03,000/- (previous year ₹ 3,24,56,440/-).

29.3 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:-

29.3 (a) List of Related parties with whom transactions have taken place and relationship :

(a) Key Managerial Personnel

(i) Mr. Praveen Gupta -CFO

(ii) Mr. Rajesh Singh Chahar, Company Secretary (resigned on 31.01.2017)

(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 and 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 HB Projects Pvt. Ltd.-Associate

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

(Amount in ₹)

| 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   | 3302006 (3371685)        | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                |
| Sitting Fee   | Nil (Nil)                | 50000 (50000)            | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                |
| Rent Received   | Nil (Nil)                | Nil (Nil)                | 863052 (766622)          | 1985600 (2153040)        | Nil (Nil)                |
| Sale of Investment through them   | Nil (Nil)                | Nil (Nil)                | 1273093 (Nil)            | Nil (Nil)                | Nil (Nil)                |
| DP Charges paid   | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | 1306 (1838)              | Nil (Nil)                |
| Interest paid on Loan   | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | 10800000 (10800000)      | Nil (Nil)                |
| Security Deposit received during the year   | Nil (Nil)                | Nil (Nil)                | Nil (73278)              | Nil (Nil)                | Nil (Nil)                |
| Security Deposit refund during the year   | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | 5750000 (5750000)        | Nil (Nil)                |
| Interest Income Received  | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | Nil (3551324)            |
| Loan received during the year   | Nil (Nil)                | 6800000 (215000000)      | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                |
| Loan repaid during the year   | Nil (Nil)                | 72500000 (115000000)     | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                |
| Outstanding in respect of Loan including interest accrued as on 31.03.2017 (Payable)        | Nil (Nil)                | 95500000 (100000000)     | Nil (Nil)                | 92396712 (92396712)      | Nil (Nil)                |
| Outstanding in respect of Loan and advances including interest accrued thereon (Receivable) | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | Nil (Nil)                | 14196182 (14196182)      |
| Outstanding payable in respect of security deposit received                                 | Nil (Nil)                | Nil (Nil)                | 215763 (215763)          | 74700000 (80450000)      | Nil (Nil)                |



29.3 (c) Disclosure in respect of material 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 ₹ 23,96,712/- (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.; ₹ Nil (previous year ₹ 57,50,000/-) from HB Leasing & Finance Co. Ltd.; ₹ 57,00,000/- (previous year ₹ 57,00,000/-) from RRB Securities Ltd. and ₹ 2,15,763/- (previous year ₹ 2,15,763/-) from RRB Master Securities Delhi Ltd. (iii) Short term Loan and advances includes ₹ 1,41,96,181/- (Previous Year ₹ 1,41,96,181/-) from Parsvnath HB Projects Pvt. Ltd. (iv) Unsecured Loan from Director includes ₹ 9,55,00,000/- (Previous Year ₹ 10,00,00,000) from Mr. Lalit Bhasin.

29.3 (d) The above transactions for the previous year also include transactions of erstwhile Pisces Portfolios Pvt. Ltd. with its related parties which though may not be related parties of the Company.

29.4 (a) C.I.F. Value of Imports

| Particulars                   | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|-------------------------------|---|---|
| Stores and Operating Supplies | 1225527                                   | 730693                                    |
| Capital Goods                 | 1031730                                   | 1581781                                   |

(b) Expenditure in Foreign Currency

| Particulars          | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|----------------------|---|---|
| Legal & Professional | 794438                                    | 514936                                    |
| Advertisement        | 2782275                                   | 3551980                                   |
| Others               | 6975982                                   | 3199334                                   |

(c) Earning in Foreign Currency:

| Particulars    | As at 31 <sup>st</sup> March, 2017 (In ₹) | As at 31 <sup>st</sup> March, 2016 (In ₹) |
|----------------|---|---|
| Sale / Revenue | 263741095                                 | 239806214                                 |

(d) Dividend paid in foreign currency- Nil (Previous Year Nil).

29.5 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 | 1526001             | 1898011              | Contribution to Provident Fund & other fund.         |

(b) Defined Benefit Plan

Movement in net liability

| Particulars  | Gratuity (Funded) (In ₹) |               | Leave Encashment (Unfunded) (In ₹) |               |
|--|--------------------------|---------------|------------------------------------|---------------|
|  | Current Year             | Previous Year | Current Year                       | Previous Year |
| Present value of obligations as at the beginning of the year (A)       | 2208811                  | 1962095       | 1339987                            | 1520073       |
| Adjustment for increase (decrease) in opening obligation (B)           | Nil                      | Nil           | Nil                                | Nil           |
| Interest Cost (C)  | 172433                   | 156968        | 100499                             | 121606        |
| Current Service Cost (D)   | 1042967                  | 765714        | 975169                             | 700004        |
| Benefits paid (E)  | -186550                  | -83787        | -549177                            | -150587       |
| Actuarial Loss/ (Gain) on obligation (F)                               | 181121                   | -592179       | 222999                             | -851109       |
| Present value of obligations as at the end of the year (G=A+B+C+D-E+F) | 3418782                  | 2208811       | 2089477                            | 1339987       |

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

| Particulars   | Gratuity (Funded) (In ₹)                       |               | Leave (Unfunded) (In ₹) |               |
|---|--|---------------|-------------------------|---------------|
|   | Current Year                                   | Previous Year | Current Year            | Previous Year |
| Present value of obligation (A)                     | 3418782  | 2208811       | 2089477                 | 1339987       |
| Estimated fair value of plan assets (B)             | 512117   | 77591         | Nil                     | Nil           |
| Net Liability (C=A-B)                               | 2906665  | 2131220       | 2089477                 | 1339987       |
| <b>Amounts in the Balance Sheet</b>                 |  |               |                         |               |
| Liabilities   | 2906665  | 2131220       | 2089477                 | 1339987       |
| <b>Amount charged to Profit &amp; Loss Account</b>  |  |               |                         |               |
| Current Service Cost                                | 1042967  | 765714        | 975169                  | 700004        |
| Interest Cost                                       | 172433   | 156968        | 100499                  | 121606        |
| Expected Return on Plan Asset                       | -19468   | -10310        | Nil                     | Nil           |
| Actuarial(Gain)/Loss                                | 181121   | -592179       | 222999                  | -851109       |
| Adjustment  | 0  | 0             | 0                       | 0             |
|   | 1377053  | 320193        | 1298667                 | -29499        |
| 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:

| Sr. Particulars                 | Gratuity            |                      |
|---------------------------------|---------------------|----------------------|
|                                 | Current Year (In ₹) | Previous Year (In ₹) |
| i) Actual return on plan assets | 19468               | 10310                |

(e) Following are the Principal Actuarial Assumptions used as at the Balance Sheet date

| Particulars                            | Gratuity     |               |
|--|--------------|---------------|
|  | Current Year | Previous Year |
| Discount Rate                          | 7.50%        | 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 (In ₹) | Previous Year (In ₹) |
| Opening Fair Value of Plan Assets | 77591               | 59831                |
| Expected Return on Plan Assets    | 19468               | 10310                |
| Actuarial Gains / (Losses)        | Nil                 | Nil                  |
| Contribution by the Employer      | 580635              | 308113               |
| Benefits Paid                     | 165577              | 300663               |
| Closing Fair Value of Plan Assets | 512117              | 77591                |

29.6 Foreign Currency Exposures :-

There are no hedged / unhedged foreign currency exposure as at the year end (previous year Nil)

29.7 Disclosure of Loans/Advances in the nature of loans in terms of provision of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-

(Amount In ₹)

| Particulars  | Outstanding Balance as on 31.03.2017 | Max. Balance Outstanding during the year | Outstanding Balance as on 31.03.2016 | Max. Balance Outstanding during the previous Year |
|--|--------------------------------------|--|--------------------------------------|---|
| Loans & Advances in the nature of loans to Associates:-<br>-Parsvnath HB Projects Private Limited  | 14196182                             | 14196182                                 | 14196182                             | 14196182  |
| 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   |



| Particulars   | Outstanding Balance as on 31.03.2017 | Max. Balance Outstanding during the year | Outstanding Balance as on 31.03.2016 | Max. Balance Outstanding during the previous Year |
|---|--------------------------------------|--|--------------------------------------|---|
| Loans & Advances in the nature of loans to firms/companies in which directors are interested.   | Nil                                  | Nil                                      | Nil                                  | Nil   |
| 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<br>Nil                 | Amount<br>Nil                            | No. of Shares<br>Nil                 | Amount<br>Nil                                     |

**29.8 Detail of consumption of Imported and Indigenous items:**

| Particulars                     | Current Year    |                  | Previous Year   |                  |
|---------------------------------|-----------------|------------------|-----------------|------------------|
|                                 | Amount (in ₹)   | % of consumption | Amount (in ₹)   | % of consumption |
| <b>(i) Raw Materials</b>        |                 |                  |                 |                  |
| Imported                        | 0               | 0.00             | 0               | 0                |
| Indigenous                      | 65916566        | 100.00           | 70415350        | 100              |
| <b>Total</b>                    | <b>65916566</b> | <b>100.00</b>    | <b>70415350</b> | <b>100.00</b>    |
| <b>(ii) Stores and Supplies</b> |                 |                  |                 |                  |
| Imported                        | 1074664         | 3.60             | 310438          | 0.95             |
| Indigenous                      | 28800608        | 96.40            | 32510845        | 99.05            |
| <b>Total</b>                    | <b>29875273</b> | <b>100.00</b>    | <b>32821283</b> | <b>100.00</b>    |

**29.9 Disclosure pursuant to Accounting Standard (AS-19) for Leases: -**

The Company generally enters into cancellable Operating Lease of Office Premises and Residence of the Employees normally renewable on expiry. Lease payments amounting to ₹ 62,01,350/- (Previous Year ₹ 61,08,180/-) made under Operating Lease have been recognized as an Expense.

**29.10 Pending Litigations:**

The Contingent liability in respect of pending litigations is disclosed in note no. 29.2 (a),(b),(c),(d) and (e). In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the Company's results of Operations or Financial Statements.

**29.11** The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**29.12** The Company had filed a Composite Scheme of Arrangement ('the Scheme') amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 before the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. The matter now stands transferred to National Company Law Tribunal (NCLT), Chandigarh as per the provisions of Sections 230 to 233 of the Companies Act, 2013. The Appointed Date for the Scheme is opening of business hours as on April 2, 2015 & April 3, 2015 as defined in Part A of the Scheme. The effect of the Scheme on the Financial Statements of the Company from the said Appointed Date shall be given upon sanction of Scheme by the NCLT and receipt of various other requisite approvals.

**29.13 Additional information as per schedule III of the companies act,2013.**

| Name of the entity                                   | Current Year  |                    |                                    |                      |
|--|---|--------------------|------------------------------------|----------------------|
|  | Net Assets i.e Total assets minus total Liabilities |                    | Share in Profit/ Loss              |                      |
|  | As % of consolidated net assets                     | Amount (₹)         | As % of consolidated Profit / Loss | Amount (₹)           |
| 1  | 2   | 3                  | 4                                  | 5                    |
| <b>Parent</b>  |   |                    |                                    |                      |
| HB Estate Developers Limited                         | 100.00  | 683,824,568        | 100.00                             | (289,945,312)        |
|  | (100.00)  | (973,769,880)      | (99.92)                            | (308,295,302)        |
| <b>Associates (Investments as per Equity method)</b> |   |                    |                                    |                      |
| Parsvnath HB Projects Pvt. Ltd.                      | 0.00  | -                  | 0.00                               | -                    |
|  | (0.00)  | -                  | (0.08)                             | (240,200)            |
| <b>Total</b>   | <b>100.00</b>                                       | <b>683,824,568</b> | <b>100.00</b>                      | <b>(289,945,312)</b> |
|  | (100.00)  | (973,769,880)      | (100.00)                           | (308,295,302)        |

**29.14 Disclosure on Specified Bank Notes (SBNs)**

In terms of MCA notification G.S.R 308(E) dated March 30th, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016, is as under:

| Particulars                           | SBNs (₹) | Other denomination notes (₹) | Total (₹) |
|---------------------------------------|----------|------------------------------|-----------|
| Closing cash in hand as on 08.11.2016 | 527500   | 152354                       | 679854    |
| (+) Permitted receipts                | 0        | 2164638                      | 2164638   |
| (-) Permitted payments                | 0        | 399001                       | 399001    |
| (-) Amount deposited in Banks         | 527500   | 1002223                      | 1529723   |
| Closing cash in hand as on 30.12.2016 | 0        | 915768                       | 915768    |

**29.15** Previous year figures have been regrouped/reclassified wherever necessary to confirm the current year presentation

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-  
AMIT GOEL  
(Partner)  
Membership No. : 092648

PLACE : GURUGRAM  
DATE : 29.05.2017

FOR AND ON BEHALF OF THE BOARD

Sd/-  
J.M.L. Suri  
(Director)  
DIN:00002373

Sd/-  
Anil Goyal  
(Director)  
DIN:00001938

Sd/-  
Praveen Gupta  
(Chief Financial Officer)

Sd/-  
Radhika Khurana  
(Company Secretary)



**HB ESTATE DEVELOPERS LIMITED**

**FORM NO. MGT-11**

**PROXY FORM**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L99999HR1994PL034146  
 Name of the Company : HB Estate Developers Limited  
 Registered Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram - 122 001 (Haryana)  
 Name of the Member(s) :  
 Registered Address :  
 Email ID :  
 Folio No./Client ID :  
 DP ID :

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint:

- 1) Name.....Address.....  
 Email.....Signature.....or failing him
- 2) Name.....Address.....  
 Email.....Signature.....or failing him
- 1) Name.....Address.....  
 Email.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23<sup>RD</sup> ANNUAL GENERAL MEETING** of the Company to be held on **Friday, 29<sup>th</sup> September, 2017** at 11:00 A.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram – 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

- Adoption of Audited Financial Statements including Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2017 together with the reports of the Directors' and Auditors' thereon.
- Re-appointment of Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment.
- Appointment of M/s G.C. Agarwal & Associates, Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors of the Company and to fix their remuneration

**Special Business:**

- Entering into Related Party Transaction with HB Portfolio Limited.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2017

Signature of the Shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



**HB ESTATE DEVELOPERS LIMITED**

**ATTENDANCE SLIP**

**23<sup>RD</sup> ANNUAL GENERAL MEETING**

Date : 29<sup>th</sup> day of September, 2017  
 Time : 11.00 A.M.  
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 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 23rd Annual General Meeting held on Friday, 29th day of September, 2017 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana

Folio No. / DP-ID : .....

Client-ID : .....

No. of Shares : .....

Signature(s).....

**Members may please note that the GIA House 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.**

# ROUTE MAP OF GIA HOUSE

