

BOARD OF DIRECTORS

Mr. H. C. Bhasin
Mr. C. K. Hazari
Mr. Bodhishwar Rai
Mr. Lalit Bhasin
Mr. Anil Goyal
Mr. J. M. L. Suri

Chairman

AUDIT COMMITTEE

Mr. C. K. Hazari
Mr. J. M. L. Suri
Mr. Lalit Bhasin

Chairman

COMPANY SECRETARY

Mr. V. Shankar

AUDITORS

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

REGISTERED OFFICE

199, Sector - 7,
Urban Estate,
Gurgaon - 122 001, Haryana

CORPORATE OFFICE

H-72, Connaught Circus,
New Delhi - 110 001.

REGISTRAR & SHARE TRANSFER AGENT

RCMC SHARE REGISTRY PVT. LTD.,
1515, 1st Floor, Bhisham Pitamah Marg,
Kotla Mubarakpur, Near South Extension,
New Delhi-110 003.

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NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Company will be held as follows:

Day : Wednesday
Date : 03 March, 2004
Time : 10:00 A.M.
Place : GIA House, I.D.C. Mehrauli Road,
Opp. Sector - 14, Gurgaon - 122001 Haryana

to transact the following business :

AS ORDINARY BUSINESS :

- To receive, consider and adopt the Audited Balance Sheet as at 30th September 2003 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
- To appoint Director in place of Mr. H.C. Bhasin who retires by rotation and being eligible offers himself for reappointment.
- To appoint Director in place of Mr. J.M.L. Suri who retires by rotation and being eligible offers himself for reappointment.
- To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS:

- To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Chand Kishan Hazari, who was appointed as additional director on the Board of the company on 24th December, 2003 be and is hereby appointed as Director of the company liable to retire by rotation."
- To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
"RESOLVED THAT in supersession of all earlier resolution(s) and pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred as 'Delisting Guidelines') and subject to the provisions of all other applicable laws, rules, regulations, and guidelines, if any and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of the Directors of the company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by the Resolution) the consent of the company be and is hereby accorded to the Board to delist the equity shares of the company from all or any of the stock exchanges at Ahmedabad; Chennai; Delhi; and Kolkata."

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

Place : New Delhi
Date : 24th December, 2003

**V. SHANKAR
COMPANY SECRETARY**

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- Explanatory Statement(s) pursuant to Section 173(2) in respect of the Special Businesses herein are annexed hereto and form part of this notice.
- Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to clause 49 of the Listing Agreement) is appended below.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 28.02.2004 to 03.03.2004 (both days inclusive).
- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.

- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to :
(a) Notify any change in their address including PINCODE to the Company or to the Registrar and Share Transfer Agent of the company namely, RCMC Share Registry Pvt. Ltd., 1515, (1st Floor), Bhisham Pitamah Marg, Kotla Mubarakpur, Near South Extension, New Delhi - 110 003. Phones: 24692346, 24601017. Fax: 24692345. E-mail: rcmc@dimensioni.net.
(b) Bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.

Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to clause 49 of the Listing Agreement).

Name of Director	Mr. H.C. Bhasin	Mr. J.M.L. Suri	Mr. C.K. Hazari
Date of Birth	15.10.1939	27.04.1938	05.07.1923
Date of Appointment	20.12.2001	20.09.1994	24.12.2003
Expertise in specific functional areas	Finance & Capital Market	Administration	Finance
Qualifications	B.A.	Engineer	B.Com, ACA
Directorships in other public limited companies	HB Stockholdings Ltd.; HB Portfolio Ltd.; HB Leasing & Finance Co. Ltd.; Credit Capital Investment Trust Co. Ltd.; HB Corporate Services Ltd.; Bhasin Investments Ltd.; Indo Continental Hotels & Resorts Ltd.; Machino Plastics Ltd.; Monnet Ispat Ltd.; CHL Ltd.; Raja Ram Bhasin Share & Stock Brokers Ltd.; Bhasin Share & Stock Brokers Ltd.;	HB Stockholdings Ltd.; HB Portfolio Ltd.; RRB Securities Ltd.; Mount Finance Ltd.;	Samtel India Ltd.; Uniproducs (India) Ltd.; Shivalik Agro Poly Products Ltd.; PNR Capital Services Ltd.; Shaw Wallace & Co. Ltd.;
Membership of Committees in other Public Limited Companies	Audit Committee - Machino Plastics Ltd.; Shareholders Grievance Committee - Machino Plastics Ltd.; - HB Leasing & Finance Co. Ltd.;	Audit Committee - HB Portfolio Ltd.; Shareholders Committee - Finance & Borrowings Committee - HB Portfolio Ltd.;	Audit Committee - Samtel India Ltd.; - Uniproducs (India) Ltd.; - Shaw Wallace & Co. Ltd.; Shareholders/Investor Grievance Committee - Uniproducs (India) Ltd.; Remuneration Committee - Samtel India Ltd.; - Uniproducs (India) Ltd.; - Shaw Wallace & Co. Ltd.;

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item Nos. 5

Mr. Chand Kishan Hazari was appointed as Additional Director on the Board of Directors on 24th December 2003 and under the provisions of Section 260 of the Companies Act, 1956 he holds office up to the date of the ensuing Annual General Meeting of the company. The Company has received notice under Section 257 of the Companies Act, 1956 from a shareholder together with requisite fee proposing him to be appointed as the Director of the company liable to retire by rotation.

Mr. C.K. Hazari is a well known financial consultant and is a Director on the Boards of well-known companies and brings with him rich experience in the fields of Finance. The Board commends the resolution for his appointment as Director for consideration of the members. None of the directors except Mr. Chand Kishan Hazari are in any way concerned or interested in the above resolution.

Item No. 6

Presently the Equity Shares of the company are listed at the Stock Exchanges at Delhi (Regional), Mumbai, Chennai, Ahmedabad and Kolkata.

With extensive networking of the Stock Exchange, Mumbai (BSE) and extension of trading terminals to other cities as well, the investors have access to online dealings in the Company's securities across the country. The bulk of the trading in the Company's equity shares in any case takes place at BSE and in the last 2/3 years practically no trading in the Company's equity shares has been reported on all other Stock Exchanges. Besides, the company's equity shares has been notified by SEBI for compulsory settlement in dematerialised mode only by investors and accordingly there is no physical movement of share certificates in respect of reported trading transactions through/in the Stock Exchange.

In view of above, no tangible benefits/advantages is derived by the Company and the shareholders in continuing with listing at multiple Stock Exchanges vis-à-vis the listing fees paid to these Stock Exchanges. Accordingly it would be expedient that the equity shares are delisted from all

the Stock Exchanges other than BSE. The proposed delisting of equity shares of the company from the stock exchanges at Ahmedabad; Chennai; Delhi and Kolkata would not adversely affect the shareholders/investors as the equity shares shall continue to remain listed at BSE. The shareholders had vide Special Resolution passed at the 7th Annual General Meeting on 22-03-2002 had granted approval to delist company's equity shares from the Stock Exchanges at Ahmedabad; Chennai and Kolkata. However with the notification of the SEBI (Delisting of Securities) Guidelines, 2003, the Stock Exchanges are insisting for a shareholders approval by Special Resolution pursuant to the said Guidelines. Further as per provisions of the new Delisting Guidelines, voluntary delisting from Regional Stock Exchange is also now permitted. Accordingly the Board of Directors are seeking a fresh approval of shareholders for voluntary delisting of equity shares from the Stock Exchanges at Ahmedabad; Chennai; Delhi; and Kolkata. The Board commends the Special Resolution for approval of members. None of the Directors are, in any way, concerned or interested in the resolution.

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

**Place : New Delhi
Date : 24th December, 2003**

**V. SHANKAR
COMPANY SECRETARY**

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 9th Annual Report together with the Audited Statements of Accounts for the year ended 30th September 2003.

FINANCIAL RESULTS:

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

PARTICULARS	(Rs. in Lakhs)	
	Year Ended 30.09.2003	Year Ended 30.09.2002
Gross Profit/(Loss)	(292.00)	(566.94)
Less :		
(a) Depreciation	1.71	1.78
(b) Miscellaneous Expenses Written Off	0.93	0.93
Net Profit/(Loss)	(294.64)	(569.65)
Provision for Taxation		
— Current Tax	—	—
— Deferred Tax Credit/(Charge)	0.01	0.32
Profit after Taxation	(294.63)	(569.33)
Add/(Less) :		
Profit Brought Forward	(31.70)	537.63
Prior Period Adjustments	7.17	—
Net Amount available for appropriation(s)	Nil	Nil
Profit/(Loss) carried forward*	(319.16)	(31.70)

*The loss has been adjusted against the amount standing to the credit of general reserve.

DIVIDEND

In view of loss, your Directors regret their inability to recommend dividend for the year under review.

PERFORMANCE REVIEW & OUTLOOK

During the major part of the year under review, the Real Estate Industry in general and the commercial property segment in particular remained depressed with poor off-take and unremunerative prices. The aforesaid scenario had an adverse impact on the company's sales. However, the recent upswing in the economy as reflected by rally in the Stock Market, have rekindled the expectation of a recovery in the prices of real estate. The buoyancy in general business sentiment has had a favourable impact of generating demand and your directors are hopeful that the price realisation in the real estate industry, especially in the commercial and office property segment in Delhi would also witness a rise in line with the current economic upswing.

Your company is examining proposals of some new projects and based on market trends, new ventures shall be undertaken.

STATUTORY STATEMENTS

Your Company has not accepted any deposits from the public during the year. The particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption are not applicable to your company. During the year under review there have been no foreign exchange earnings or outgo.

The provisions of to Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable, as there is no such employee.

Pursuant to Section 217(2AA) it is hereby stated that in the preparation of the Annual Accounts for the year under review, the applicable accounting standards have been followed. The Directors' have selected such accounting policies and applied them consistently and made judgements and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review and of the profit or loss of the company for that period. The Directors' have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. Further, the Directors' have prepared the annual accounts, for the year under review, on a going concern basis.

CORPORATE GOVERNANCE

The disclosures relating to the Corporate Governance is annexed hereto and forms a part of the Directors' Report.

STATEMENT PURSUANT TO LISTING AGREEMENT(S)

The Company's securities are listed at Delhi, Chennai, Calcutta, Ahmedabad and Mumbai Stock Exchanges.

With the extensive nation wide networking of The Stock Exchange, Mumbai (BSE), no tangible benefit is derived by the company and/or the shareholders by continuing with listing in multiple stock exchanges vis-à-vis the listing fees paid to them as the shares are infrequently traded at these Stock Exchanges (other than BSE) with practically no trades in the last 2/3 years. Besides, the company's equity shares have been notified for compulsory settlement of all trades in dematerialisation mode in the Stock Exchange(s).

In the meanwhile Securities and Exchange Board of India also notified a comprehensive and detailed Guidelines (SEBI Delisting Guidelines, 2003) for delisting. The new Guidelines do not differentiate the delisting from Regional and/or other Exchanges.

In view of the above, your directors are of the view that it would be beneficial and in the interest of the company that the shares are delisted from the Stock Exchanges other than BSE. A fresh mandate of the shareholders in this regard is being sought in the ensuing Annual General Meeting. The grounds and justification for the same have been detailed out in the accompanying Explanatory Statement to the Notice.

AUDITORS REPORT

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

AUDITORS

The Auditors, M/s P. Bholusaria & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

DIRECTORATE

The Board regrets to inform the passing away of Mr. Om Parkash Arora, after a brief illness, on 8th September 2003 and would like to recall and place on record its deep appreciation of the valuable contributions made by him during his tenure, in directing the affairs of the company. Mr. H.C. Bhasin and Mr. J.M.L. Suri are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Chand Kishan Hazari, who is a financial consultant was co-opted as Additional Director on 24-December-2003 and accordingly holds office only up to the date of ensuing Annual General Meeting. Considering his rich and varied experience, the Board is of the opinion that his continued association with the Company would be beneficial to it and accordingly commends the resolution for appointing him as Director of the Company in the ensuing Annual General Meeting, for the consideration of members.

ACKNOWLEDGEMENTS

Your Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Company's Bankers, Shareholders and by the Employees of the Company.

FOR AND ON BEHALF OF THE BOARD

**Place : New Delhi
Date : 24th December 2003**

**H.C. BHASIN
CHAIRMAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Operating Results

The total income earned by the company from Sales and other income for the year under review was Rs.122.93 lakhs. Income from sales and rentals amounted to Rs.106.54 lakhs compared to Rs.645.79 lakhs. The depressed market and unremunerative prices had an adverse impact on the sale. The company has however continued its focus to reduce the expenses. The Administrative expenses for the year was Rs.74.62 lakhs as compared to Rs.95.93 lakhs. Interest and financial charges has also come down from 243.93 lakhs to Rs.167.48 lakhs.

2. Industry Trends and Business Analysis

The Real Estate Industry for the past 3-4 years has been facing a severe slump, mainly due to a general economic slowdown and other adverse political factors resulting into sluggish industrial growth leading to a recessionary trend and slackening of demand especially for commercial properties.

While the commercial property segment has been plagued by various infrastructural constraints besides cyclical industry trends, the residential property segment witnessed a better off-take primarily driven by tax concessions and easy availability of finance and soft interest rates.

However, the aforesaid trend seems to have been arrested as the demand for commercial properties, has recently picked up with an upswing in the economy aided by a positive investment sentiment as mirrored in the rally being witnessed in the Stock Market.