

BOARD OF DIRECTORS

Mr. Lalit Bhasin	<i>Chairman</i>
Mr. C. K. Hazari	
Mr. Bodhishwar Rai	
Mr. Davendra Ahuja	
Mr. Anil Goyal	
Mr. J. M. L. Suri	
Mr. Puneet Nikore	<i>Executive Director</i>

AUDIT COMMITTEE

Mr. C. K. Hazari *Chairman*
 Mr. Bodhishwar Rai
 Mr. J. M. L. Suri

COMPANY SECRETARY

Mr. V. Shankar

AUDITORS**P. Bholusaria & Company**

Chartered Accountants,
 26/11, Shakti Nagar,
 Delhi - 110 007.


REGISTERED OFFICE

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

WEBSITE

www.hbestate.com

REGISTRAR & SHARE TRANSFER AGENT**RCMC Share Registry Pvt. Ltd.**

B-106, Sector - 2,
 Noida - 201 301

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HB ESTATE DEVELOPERS LIMITED

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Company will be held as follows:

Day : Wednesday
Date : 29th August, 2007
Time : 10:00 A.M.
Place : GIA House I.D.C. Mehrauli RoadOpp. Sector 14 Gurgaon-122001 Haryana
to transact the following business:

AS ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
- To declare dividend.
- To appoint a Director in place of Mr. Anil Goyal who retires by rotation and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr. Davendra Ahuja 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. Puneet Nikore, who was appointed as additional director on the Board of the company on 30th April, 2007 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 pursuant to the Resolution passed by the Board of Directors of the company at their meeting held on 30th April 2007 and to the provisions of Section 269, 198, 309, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the consent and approval to the appointment of Mr. Puneet Nikore as Whole Time Director of the company designated as Executive Director for a period of 3 years with effect from 30th April 2007 on the terms and conditions including the payment of remuneration, as approved by the Board of Directors at their meeting mentioned hereinabove and as set out in the Explanatory Statement accompanying this Notice, be and is hereby accorded and that during his tenure in the Office as Whole Time Director, he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise the remuneration payable to Mr. Puneet Nikore at any time during his tenure in the office of Whole Time Director designated as Executive Director of the Company in accordance with the provisions of Companies Act, 1956 and also to do any other acts and deeds as may be necessary and incidental in the matter including seeking of any approval, consent, permissions from Central Government or such other authorities, as may be required."

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

Place : New Delhi
Date : 30-04-2007

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 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.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd August 2007 to 29th August 2007 (both days inclusive).
- Dividend, if declared at the Annual General Meeting will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company after giving effect to all valid requests for transfer of shares lodged with the Company on or before the close of business hours on 21st August, 2007 or to their mandates. The dividend in respect of Shares held in dematerialised form would be payable to the beneficial owners of Shares recorded with the depositories as at the end of 21st August, 2007 as per the details furnished by the Depositories for the purpose.
- Securities and Exchange Board of India (SEBI) has made mandatory for all Companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS), wherever ECS and Bank Details are available. In the absence of ECS facility being made available for any reason, the Companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors. Accordingly shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, the account number to the Company's Registrar and Share Transfer Agent, M/s RCMC Share Registry Private Limited. In case the holdings are in dematerialised form, the said details should be conveyed to their Depository Participant. Shareholders who wish to avail the ECS facility offered by the Company should in addition to the aforesaid bank details also furnish a photocopy of the cheque leaf to Company's Registrar and Share Transfer Agent in case of holding in physical mode and to the Depository Participant in case of Dematerialised holding.
The bank particulars of the Shareholders recorded with the Depository Participant as on the book closure date, the data of which will be received through Depositories will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For safety and in the interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants. The bank details (mandate) for shares held in physical form will not be applicable/applied for shares held in dematerialised form and vice versa.
- Though separate reminder notice has already been sent, the shareholders who have not yet remitted their allotment money due are requested once again to pay the same along with the interest due for such delayed payment, failing which the partly paid shares standing in their name along with the moneys already paid on them (including the premium portion) will be liable to forfeiture.
- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:
 - Notify any change in their address to the Company including PINCODE or to the Registrar and Share Transfer Agent of the company namely, RCMC Share Registry Pvt. Ltd., B-106, Sector-2, Noida-201301; Phones: (0120) 4015880; Fax (0120) 2444346; E-mail: rcmc@dimensioni.net. Members whose shareholding is in the dematerialised mode are requested to direct change of address notifications to their respective Depository Participants.
 - 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 ensuing Annual General Meeting (Pursuant to clause 49 of the Listing Agreement).

Name of Director	Mr. Anil Goyal	Mr. D. Ahuja	Mr. Puneet Nikore
Date of Birth	22-02-1959	24-11-1938	27-03-1964
Date of Appointment	20-09-1994	30-07-2004	30-04-2007
Expertise in specific functional areas	Corporate, Finance & Capital Market	Finance, Banking, Corporate Restructuring	Finance, strategic planning, business reengineering, tax planning
Qualifications	FCA	MBA, Post Graduate in Economics	CA, B.Com (Hons)
Directorships in other public limited companies (As on 31-03-07)	<u>Managing Director</u> HB Leasing & Finance Co. Limited HB Portfolio Limited <u>Director</u> HB Securities Limited HB Prima Capital Limited HB Corporate Services Limited RRB Securities Limited Mount Finance Limited Bhasin Investments Limited	TCFC Finance Ltd. Essel Propack Ltd.	Nil
Membership of Committees in other Public Limited Companies (As on 31-03-07)	<u>Audit Committee</u> RRB Securities Ltd <u>Shareholders/Investor Grievance Committee</u> HB Portfolio Ltd. RRB Securities Ltd. HB Leasing & Fin Co. Ltd.	<u>Audit Committee</u> Essel Propack Ltd. TCFC Finance Ltd. <u>Remuneration Committee</u> Essel Propack Ltd.	Nil

HB ESTATE DEVELOPERS LIMITED

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

Item No. 6

Mr. Puneet Nikore was appointed as Additional Director on the Board of Directors on 30th April 2007 under the provisions of Section 260 of the Companies Act, 1956 and was also appointed as a Whole Time Director and designated as Executive Director. In accordance with the provisions of Section 260 of the Companies Act, 1956 he holds office only 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. Puneet Nikore is a Chartered Accountant with over 20 years of experience in building, leading and advising corporates through complex Business start up operations, Strategic partnerships and Joint Ventures, financial management and taxation, strategic planning. The Board commends the resolution for his appointment as Director for consideration of the members.

As declared by Mr. Puneet Nikore, he does not hold any equity shares in the company.

None of the directors except Mr. Puneet Nikore is in any way concerned or interested in the above resolution.

Item No. 7

The Board of Directors of the Company at their meeting held on 30th April 2007 have appointed Mr. Puneet Nikore as the Whole Time Director of the Company designated as Executive Director for a period of 3 years with effect from 30-04-2007 upon the consideration and recommendations of the Remuneration Committee of the Board. The appointment and the remuneration payable to Mr. Puneet Nikore requires the approval of the Company in General Meeting by Special Resolution pursuant to Schedule XIII of the Companies Act, 1956 read with Section 269, 198, 309 and 314 of the said Act. The terms and conditions of the appointment of Mr. Puneet Nikore as Whole Time Director of the company designated as Executive Director approved by the Board of Directors at their meeting as mentioned hereinabove are as under: -

- a) **Basic Salary:** Rs.1,20,000/- (Rupees One lakh twenty thousand) per month:
- b) **Perquisites:**
 - i) **House Rent Allowance:** 40% of the Basic Salary as mentioned at (a) above
 - ii) **Reimbursement of Conveyance:** Reimbursement of expenses incurred on conveyance to a maximum of Rs.12,000/- per month (Rupees Twelve thousand only).
 - iii) **Reimbursement of Books & Periodicals:** Reimbursement of expenses incurred on subscription/purchase of Newspapers, Books and Periodicals subject to a maximum of Rs.4,000/- (Rupees Four thousand only) per month.
 - iv) **Medical Reimbursement:** Expenses incurred for self and family subject to a ceiling of Rs.72,000/- (Rupees Seventy two thousand only) per annum.
 - v) **Level Travel Assistance:** For self and family once in a year subject to a ceiling of one month's salary per year.
- c) **Leave:** As per rules of the Company from time to time.
- d) Apart from the aforesaid salary, perquisites, allowance and benefits, the Whole-time Director will be entitled to reimbursement of expenses incurred in connection with business of the Company.
- e) No sitting fees will be paid to the Executive Director for attending the meetings of the Board of Directors of the Company or Committees thereof.
- f) The appointment may be terminated by 3 months notice on either side or 3 months salary in lieu thereof.
- g) The above remuneration shall be payable as minimum remuneration to the Whole-time Director in the event of absence/inadequacy of profits in any financial year."

The Additional disclosures mentioned in Para 1(B)(iv) of Section II of Part I of Schedule XIII to the Companies Act, 1956 is as under:

I. GENERAL INFORMATION:

1. Nature of Industry : Real Estate Development & other allied activities.
2. Date or expected date of Commence of Production : Existing Company. The company is not engaged in any manufacturing activities and is into real estate development.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus. : Not Applicable
4. Financial Performance based on given indicators : Not Applicable

Particulars	2006-2007	2005-2006
Total Sales and other Income	1459.85	700.34
Profit before Depreciation & Tax	1268.70	324.06
Depreciation	2.45	1.81
Provision for Taxation	142.47	2.33
Net Profit	1123.78	319.92

5. Export performance and net foreign Exchange collaborations. : Not Applicable
6. Foreign investments or collaborators, if any : The company has no foreign investments or foreign collaborations. The company has not made any foreign investments or has any collaboration overseas.

II. INFORMATION ABOUT THE APPOINTEE

1. Background details : Mr. Puneet Nikore is a Chartered Accountant with over 20 years of experience in building, leading and advising corporates through complex Business start up operations, Strategic partnerships and Joint Ventures, financial management and taxation, strategic planning.
2. Past remuneration : Same as is being proposed.
3. Recognition or awards : Nominated for the CFO awards (in the SME category) sponsored by IMA, New Delhi and proposed by Citibank N.A. on all India basis.
4. Job profile and his suitability : Being top level position, the job profile essentially requires a leader who is innovative, self motivated and result oriented. The appointee has experience in conceptualizing, planning and directing and implementing business and financial strategies and translate them in terms of business growth.
5. Remuneration proposed : Mentioned above in the Explanatory Statement.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.) : The latest data of the comparative profile with remuneration of the CEO of Realty Industry could not be obtained. However, generally the remuneration of CEO of real estate companies of similar size and status are around Rs.60 lacs plus per annum.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. : He does not have any other pecuniary relationship with the company nor is he related to or has pecuniary relationship with any of the directors of the company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits : The company could not take up adequate projects in view of stagnant market conditions in the real estate industry.
2. Steps taken or proposed to be taken for improvement : The company has already taken up few projects; one involves construction of Mall-cum Multiplex & Hotel Project at Mohali being implemented jointly with Parsvanath Developers Ltd. through AOP; and the other a Hotel Project (Five Star category) at Gurgaon for which the land has already been acquired and the finalization of suitable agency for operating and identification of architect for design of the hotel is already on. When these projects, though of long gestation period, go on stream will improve performance as well as the bottomline.
3. Expected increase in productivity and profits in measurable terms : When the new projects which are under various stages of implementation go on stream, the productivity as well as profits is expected to go up substantially.

IV. DISCLOSURES

Remuneration package payable to Mr. Puneet Nikore, Executive Director of the company has been disclosed in the commencing paragraph of this Explanatory Statement.

All elements of remuneration package to all directors is disclosed in the Corporate Governance Report.

The particulars set out hereinabove may be treated as the abstract of the terms and conditions of appointment of Mr. Puneet Nikore as Whole Time Director of the Company designated as Executive Director, to be sent to the shareholders under section 302 of the Companies Act, 1956.

None of the Directors except Mr. Puneet Nikore is concerned or interested in this resolution. The Directors recommend the resolution for approval by the members.