

**BOARD OF DIRECTORS**

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

**AUDIT COMMITTEE**

Mr. C. K. Hazari	<i>Chairman</i>
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  
Ph : 0124-4675500, Fax : 0124-4370985

**WEBSITE**

www.hbestate.com

**REGISTRAR & SHARE TRANSFER AGENT**

**RCMC Share Registry Pvt. Ltd.**  
B-106, Sector - 2, Noida - 201 301  
Ph : 0120-4015880, Fax : 0120-2444346

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## HB ESTATE DEVELOPERS LIMITED

### NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Company will be held as follows:

Day : Thursday  
Date : 4th September 2008  
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 31st March 2008 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 Mr. Lalit Bhasin of who retires by rotation and being eligible offers himself for reappointment.
- To appoint a 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. Rajesh Jain, who was appointed as additional director on the Board of the company on 29th August, 2007 be and is hereby appointed as Director of the company liable to retire by rotation."

BY ORDER OF THE BOARD  
For HB ESTATE DEVELOPERS LTD.

Place : Gurgaon  
Date : 23-07-2008

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 Business(es) herein are annexed hereto and form part of this notice.
- Details of Directors seeking appointment/reappointment at the ensuing Annual General Meeting (Pursuant to clause 49 of the Listing Agreement).
- The Register of Members and Share Transfer Books of the Company shall remain closed from 29th August 2008 to 4th September 2008 (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 28th August 2008 or to their mandates. The dividend in respect of Shares held in dematerialised form would be payable to the beneficial owners of Shares recorded with the depositories as of the end of 28th August 2008 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.
- 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: shares@rcmcldh.com 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.

Name of Director	Mr. Lalit Bhasin	Mr. J.M.L. Suri	Mr. Rajesh Jain
Date of Birth	14.08.1968	27.04.1938	24-02-1956
Date of Appointment	20.09.1994	20.09.1994	29-08-2007
Expertise in specific functional areas	Investment & Stock Market	Administration	Extensive experience of overseeing construction activities both in India and abroad.
Qualifications	B.Com	Engineer	B.Com (Hons)
Directorships in other public limited companies (As on 31-03-08)	HB Stockholdings Ltd. HB Portfolio Ltd. HB Securities Ltd. HB Leasing & Finance Co. Ltd. HB Prima Capital Ltd. Har Sai Investments Ltd. Taurus Asset Management Co. Ltd. RRB Securities Ltd. RRB Master Securities Delhi Ltd. Raja Ram Bhasin Share & Stock Brokers Ltd. Bhasin Share & Stock Brokers Ltd. AHL Hotels Ltd. CHL (South) Hotels Ltd. Indo Continental Hotels & Resorts Ltd.	Executive Director HB Stockholdings Ltd.  Director HB Portfolio Ltd. Mount Finance Ltd. HB Corporate Services Ltd. RRB Securities Ltd. RRB Master Holdings Ltd. HB Insurance Advisors Ltd.	Nil
Membership of Committees in other Public Limited Companies(As on 31-03-08)	Audit Committee HB Leasing & Finance Co. Ltd. Shareholders/Investor Grievance Committee HB Leasing & Finance Co. Ltd. RRB Securities Limited	Audit Committee HB Portfolio Ltd. RRB Securities Ltd. Shareholders/Investor Grievance Committee HB Portfolio Ltd.	Nil

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

#### Item No. 6

Mr. Rajesh Jain was co-opted as Additional Director on the Board of Directors on 29th August 2007 under the provisions of Section 260 of the Companies Act, 1956. 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. Rajesh Jain is a commerce graduate and has extensive experience as Entrepreneur in construction, Exports and International Trading and Software Development Industry. He has more than 10 years of overseeing various activities of construction Industry both in India and overseas. His continued association with the company would be beneficial and accordingly

the Board commends the resolution for his appointment as Director for consideration of the members.

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

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

BY ORDER OF THE BOARD  
For HB ESTATE DEVELOPERS LTD.

Place : Gurgaon  
Date : 23-07-2008

V. SHANKAR  
COMPANY SECRETARY



## HB ESTATE DEVELOPERS LIMITED

### DIRECTORS REPORT

To the Members,

Your Directors are pleased to present the 14th Annual Report together with the Audited Statements of Accounts for the accounting year ended 31st March, 2008.

#### FINANCIAL RESULTS:

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

	(Rs. in Lakhs)	
PARTICULARS	Year Ended 31.03.2008	Year Ended 31.03.2007
Profit/(Loss) before Depreciation & Tax	1678.24	1268.70
Less : Depreciation	27.13	2.45
Profit/(Loss) before Taxation	1651.11	1266.25
Provision for Taxation:		
– Current Tax	155.00	141.00
– Fringe Benefit Tax	1.70	0.52
– Deferred Tax - Charge/(Credit)	(5.10)	0.95
Profit/(Loss) after Taxation	1499.51	1123.78
Add/(Less): Profit/(Loss) Brought Forward	310.73	(591.17)
Transfer to General Reserve	(1000.00)	(75.00)
Prior Period Adjustments	—	(2.84)
Share of loss in AOP for previous year	(1.95)	—
Tax Adjustment for earlier year	(5.75)	0.08
Proposed Dividend	(120.42)	(123.13)
Distribution Tax on proposed Dividend including surcharge and education cess	(20.46)	(20.93)
Residual dividend of last year & tax	3.17	(0.06)
Profit/(Loss) carried forward	664.83	310.73

#### DIVIDEND

In view of company having distributable profits after providing for depreciation, your Directors are pleased to recommend a dividend at the rate of 10% on equity shares (i.e., Re.1/- per equity share) for the year under review.

#### PERFORMANCE REVIEW

The operational income for the year under review was Rs.460.24 lakhs (including the share of profits from joint venture project at Mohali) as compared to Rs.211.02 lakhs. The company has also been able to generate substantial profits of Rs.1391.06 lakhs during the year under review from sale of investments as compared to Rs.1171.63 lakhs during the previous year.

The construction work of Shopping Mall-cum-Multiplex & Hotel project at Mohali being implemented by a Joint Venture (Association of Persons) formed with Parsvnath Developers Ltd. is progressing and is expected to reach completion by August'2009.

You directors are pleased to inform that during the year under review, the company had entered into a long term agreement with Indian Hotels Company Ltd. (IHCL) for operating the Hotel, the construction of which is now under progress, in the category of Five Star under TAJ Portfolio of Hotels. Under the Agreement, during the construction stage IHCL would also provide technical assistance. The company has appointed various consultants required for the project, including M/s. WOW, Singapore as Architect for concept design of the Hotel. The design of Hotel has since been finalized, and after receiving requisite approval of building plans from HUDA and other necessary permissions, the earth excavation work has commenced. The Hotel is expected to be ready before the Commonwealth Games in 2010.

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

#### FORFEITURE OF PARTLY PAID SHARES.

In view of the requirement under the SEBI (DIP) Guidelines, 2000 to forfeit equity shares on

which the allotment/call money are in arrears/outstanding for more than 12 months, the board of directors after giving a last and final opportunity to the defaulting shareholders to remit the allotment/call money due along with over due interest, forfeited 8,29,415 Equity shares on 25th August 2007. However, forfeiture in respect of 77 Equity Shares were annulled by the directors on 23-07-2008 after receipt of proper particulars and documentary proof evidencing payment of allotment/call money earlier from the concerned shareholders. Accordingly after aforesaid annulment 8,29,338 Equity Shares remains forfeited and the same have not been reissued.

#### 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. The foreign exchange outgo during the said period was Rs.5,41,253/- on account of travelling; and Rs.57,73,349/- towards payment of Professional and Technical fees.

The provisions of Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable, as there were no employees who were drawing or in receipt of remuneration of prescribed amount during the year under review. 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 Report on Corporate Governance is annexed hereto and forms a part of the Directors' Report.

#### STATEMENT PURSUANT TO LISTING AGREEMENT(S)

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

#### AUDITORS REPORT

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

#### AUDITORS

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

#### DIRECTORS

Mr. Rajesh Jain who has more than a decade of experience in the construction industry was co-opted as Additional Director on the Board with effect from 29th August 2007. His continued association would be beneficial to the company. The resolution for his appointment as Director is coming up for your approval at the ensuing Annual General Meeting. The directors commend the same for your consideration and approval.

Mr. Lalit Bhasin and Mr. J.M.L. Suri being longest in Office retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

#### ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge the co-operation, assistance and support extended by the Company's Bankers, and the contribution of Employees at all levels and the trust and confidence reposed by the shareholders of the company.

#### FOR AND ON BEHALF OF THE BOARD

Place : Gurgaon  
Date : 23-07-2008

Lalit Bhasin  
Chairman

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### 1. Operating Results

The income earned by the company from operations (Sales, Rental Income and share of profit from joint venture project) for the year under review was Rs.460.24 lakhs as against Rs.211.02 lakhs in the previous year. During the year under review, the company earned a profit of Rs.1391.06 lakhs from sale of long term investments in securities and a dividend income of Rs.22.04 lakhs from long term investments.

The Administrative expenses for the year under review were Rs.214.96 lakhs as compared to Rs.116.09 lakhs during the previous year. The increase is primarily due to additional manpower recruited and other operational costs for Hotel Project.

#### 2. Ongoing Projects

The project for construction of Shopping Mall-cum-Multiplex & Hotel at Mohali, involving approx. 3.33 lakhs square feet of built up area, being implemented by a Joint Venture (Parsvnath Developers - AOP) with Parsvnath Developers Ltd., is progressing well. Under the project, 3 Screen Multiplex; 120 Rooms Hotel having an area of 89239 square feet; and 187 Mall Units having an approx. area of 1.48 lakh Sq. Ft. (including a Food Court having an approx. area of 12000 Sq. Ft) will be built. The project is expected to be completed by August'2009.

The company has entered into a long-term management agreement with The Indian Hotels Company Ltd. (IHCL) for operating company's upcoming Hotel located at Sector 44, Gurgaon. Under the said Agreement, the Hotel would be operated in the Five Star category under the TAJ portfolio of Hotels. During the construction phase, IHCL would

also provide its technical expertise. M/s. WOW, Singapore who were appointed as Architect for design of the Hotel had submitted the Design which has been approved. The earth excavation work was commenced in the first week of June'2008 after obtaining the approval of building plan by HUDA and other required permissions. The Hotel is expected to be ready before the Commonwealth Games in 2010.

The management is optimistic that the above investment in the project would generate substantial revenues in mainline operations, once the Hotel goes on stream.

#### 3. Industry Trends and Business Analysis

During the year under review, the severe strain on global credit markets following the sub-prime crisis in the US coupled with the runaway inflation (which has now reached double digits) triggered by unabated rise in the crude oil and commodity prices, led to a meltdown in the stock indices in general besides steep erosion in the valuation of real estate stocks in particular.

With the overall economic growth facing deceleration, and pressure to hike interest rates mounting, the industry is likely to face slow down/stagnation in the demand in the short run. The rise in input costs especially steel and cement have also pushed up the cost of projects. In the short run the demand may slacken however in the long run industry would bounce back once the inflation pares down and the price of crude oil stabilizes in international market.

The Hotel and Hospitality Sector however continues to report healthy growth and according to estimates of the World Travel and Trade Council, India is placed as third most rapidly growing tourist market with a growth of 8% plus.