

**HB ESTATE DEVELOPERS LIMITED**

**BOARD OF DIRECTORS**

**Mr. Lalit Bhasin** *Chairman*  
**Mr. C. K. Hazari**  
**Mr. Davendra Ahuja**  
**Mr. Anil Goyal**  
**Mr. J. M. L. Suri**  
**Mr. Rajesh Jain**

**AUDIT COMMITTEE**

Mr. C. K. Hazari *Chairman*  
 Mr. J. M. L. Suri  
 Mr. Rajesh Jain

**COMPANY SECRETARY**

Mr. V. Shankar

**AUDITORS**

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

Report  junction.com

**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 15th Annual General Meeting of the Company will be held as follows:

Day : Wednesday  
Date : 12th August, 2009  
Time : 10.30 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 2009 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. C. K. Hazari who retires by rotation and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr. Anil Goyal who retires by rotation and being eligible offers himself for reappointment.
- To appoint Auditors and to fix their remuneration.

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

Place : Gurgaon  
Date : 11-05-2009

ANIL GOYAL  
DIRECTOR

### NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 06-08-2009 to 12-08-2009 (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 05-08-2009 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 05-08-2009 as per the details furnished by the Depositories for the purpose.

- Securities and Exchange Board of India (SEBI) has made mandatory for all Companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS), wherever ECS and Bank Details are available. In the absence of ECS facility being made available for any reason, the Companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors. Accordingly shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, the account number to the Company's Registrar and Share Transfer Agent, M/s RCMC Share Registry Private Limited. In case the holdings are in dematerialised form, the said details should be conveyed to their Depository Participant. Shareholders who wish to avail the ECS facility offered by the Company should in addition to the aforesaid bank details also furnish a photocopy of the cheque leaf to Company's Registrar and Share Transfer Agent in case of holding in physical mode and to the Depository Participant in case of Dematerialised holding.

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

- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:
  - Notify any change in their address to the Company including PINCODE or to the Registrar and Share Transfer Agent of the company namely, RCMC Share Registry Pvt. Ltd., B-106, Sector-2, Noida-201301; Phones: (0120) 4015880; Fax (0120) 2444346; E-mail: shares@rcmdlhl.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.
- Details of Directors seeking appointment/reappointment at the ensuing Annual General Meeting (Pursuant to clause 49 of the Listing Agreement).

Name of Director	Mr. C.K. Hazari	Mr. Anil Goyal
Date of Birth	05.07.1923	22-02-1959
Date of Appointment	24.12.2003	20-09-1994
Expertise in specific functional areas	Finance	Corporate, Finance & Capital Market
Qualifications	B.Com, ACA	FCA
Directorships in other public limited companies (As on 31-03-09)	Samtel India Limited Uniproducts India Ltd. PNR Capital Services Ltd.	Managing Director HB Leasing & Finance Co. Limited HB Portfolio Limited Director HB Stockholdings Limited HB Securities Limited HB Prima Capital Limited HB Corporate Services Limited RRB Securities Limited Mount Finance Limited Bhasin Investments Limited AHL Hotels Limited HB Insurance Advisors Limited
Membership of Committees in other Public Limited Companies(As on 31-03-09)	Audit Committee Samtel India Ltd. Uniproducts India Ltd. Shareholders/Investor Grievance Committee Uniproducts India Ltd. Samtel India Ltd. Remuneration Committee Uniproducts India Ltd.	Audit Committee RRB Securities Ltd HB Stockholdings Ltd. Shareholders/Investor Grievance Committee HB Portfolio Ltd. RRB Securities Ltd. HB Leasing & Fin Co. Ltd.

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

Place : Gurgaon  
Date : 11-05-2009

ANIL GOYAL  
DIRECTOR



## HB ESTATE DEVELOPERS LIMITED

### DIRECTORS REPORT

To the Members,

Your Directors are pleased to present the 15th Annual Report together with the Audited Statements of Accounts for the accounting year ended 31st March 2009.

#### FINANCIAL RESULTS:

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

PARTICULARS	(Rs. in Lakhs)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
Profit/(Loss) before Depreciation & Tax	1713.42	1678.24
Less : Depreciation	13.16	27.13
Profit/(Loss) before Taxation	1700.26	1651.11
Provision for Taxation:		
– Current Tax	200.00	155.00
– Fringe Benefit Tax	0.01	1.70
– Deferred Tax – Charge/(Credit)	3.25	(5.10)
Profit/(Loss) after Taxation	1497.00	1499.51
Add/(Less): Profit/(Loss) Brought Forward	664.83	310.73
Transfer to General Reserve	(1000.00)	(1000.00)
Prior Period Adjustments	—	—
Share of loss in AOP for previous year	0	(1.95)
Tax Adjustment for earlier year	(0.63)	(5.75)
Proposed Dividend	(120.42)	(120.42)
Distribution Tax on proposed Dividend including surcharge and education cess	(20.46)	(20.46)
Residual dividend of last year & tax	0	3.17
Profit/(Loss) carried forward	1020.31	664.83

#### DIVIDEND

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

#### PERFORMANCE REVIEW

The operational income for the year under review was Rs.1712.87 lakhs as compared to Rs.460.24 lakhs during the previous year. The company has been able to generate net profits of Rs.1497.00 lakhs during the year under review as compared to Rs.1499.51 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 December, 2009.

As reported in the last Annual Report, 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 reputed consultants required for the project.

Further the design of Hotel has been finalized, and after receiving requisite approval of building plans from HUDA, the company has also taken other necessary permissions eg. Approval of height of the building from Airport Authority, Five Star approval from Ministry of Tourism, Environment clearance from Ministry of Environment and Forest. etc. The construction of the Hotel is under progress and is completed upto basements. 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.20,31,392/- on account of travelling; and Rs. 2,42,55,920/- 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. Puneet Nikore, Executive Director had resigned from the board of directors of the company w.e.f. 1<sup>st</sup> February, 2009. The directors placed on record their appreciation of the valuable services rendered by him during his tenure.

Shri Bodhishwar Rai, Director of the Company had passed away on 16<sup>th</sup> October 2008 after a prolonged illness. The Board of directors condoled the passing away of Mr. Bodhishwar Rai and fondly recalled and placed on record his valuable contribution in directing the affairs of the company during his long association.

Mr. C.K. Hazari and Mr. Anil Goyal 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: 11-05-2009

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/loss from joint venture project) for the year under review was Rs.1712.87 lakhs as against Rs.460.24 lakhs in the previous year. During the year under review, the company earned a profit of Rs. 468.60 lakhs from sale of long term investments in securities and a dividend income of Rs. 12.86 lakhs from long term investments.

The Administrative expenses for the year under review were Rs.255.31 lakhs as compared to Rs.214.96 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 December, 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. The design of Hotel has been finalized. After receiving requisite approval of building plans from HUDA, the company has also taken other

necessary permissions eg. Approval of height of the building from Airport Authority, Five Star approval from Ministry of Tourism, Environment clearance from Ministry of Environment and Forest. etc. The construction of the Hotel is under progress and is completed upto basements. 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

The year 2007-08 witnessed the evolution of the sub prime crisis in U.S which spread to the global economies of the world – a financial crisis that begun to precipitate a major recession in the U.S in 2008 and, in turn, raising the odds for a wider global downturn in 2009. Reflecting the deteriorating global outlook, the Indian economy which registered a GDP average growth rate of around 8% in the last five years, moderated to 6% in 2008-09 and further expected to fall to 5.5% in 2009-10.

The impact of recession has badly hit Indian real estate markets along with sectors like retail, steel, cement, hospitality and logistics. Till early 2008 the real estate industry was booming in India. Also the high network of individual investors especially those involved in retail and IT had created demand in Indian real estate. However, the downturn produced shocking waves in the real estate market, which further impacted sectors like retail, cement and iron.

After seeing tremendous growth in the last few years, the prospects for Hotels and Hospitality industry also look grim. The global financial crisis coupled with political uncertainty and rising terrorist activities have adversely affected the Hospitality and Tourism sector in the past one year. However, in the long run the industry is expected to bounce back.