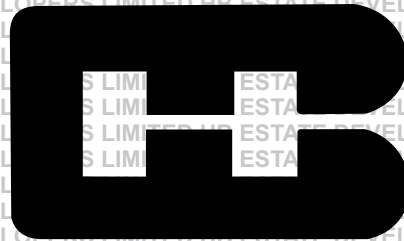


# 22nd Annual Report 2015 - 16



**HB ESTATE DEVELOPERS LIMITED**



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



**BOARD OF DIRECTORS**

**Mr. Lalit Bhasin** *Chairman*  
**Mrs. Asha Mehra**  
**Mr. Anil Goyal**  
**Mr. J. M. L. Suri**  
**Mr. Rajesh Jain**  
**Mr. Luv Malhotra**

**AUDIT COMMITTEE**

Mrs. Asha Mehra *Chairperson*  
 Mr. J. M. L. Suri  
 Mr. Rajesh Jain

**CHIEF FINANCIAL OFFICER (CFO)**

Mr. Praveen Gupta

**COMPANY SECRETARY**

Mr. Rajesh Singh Chahar

**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, Gurgaon - 122 001, Haryana  
 Ph : 0124-4675500, Fax : 0124-4370985  
 E-mail : corporate@hbestate.com  
 CIN: L99999HR1994PLC034146

**WEBSITE**

www.hbestate.com

**REGISTRAR & SHARE TRANSFER AGENT**

**RCMC Share Registry Pvt. Ltd.**

B-25/1, First Floor  
 Okhla Industrial Area, Phase-IIInd, New Delhi-110020  
 Ph : 011-26387320, 26387321, 26387323  
 Fax : 011-26387322  
 E-mail : shares@rcmcdelhi.com  
 Website: www.rcmcdelhi.com

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## HB ESTATE DEVELOPERS LIMITED

### NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF HB ESTATE DEVELOPERS LIMITED WILL BE HELD AS FOLLOWS:

(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** : Tuesday

**Date** : 20th September, 2016

**Time** : 11.00 A.M.

**Place** : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon (Haryana) - 122 001.

(Please see route map provided in this Annual Report)

to transact the following business(es):

#### AS ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the year ended 31<sup>st</sup> March, 2016, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2016, 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. Jagmohan Lal Suri (DIN 00002373), who retires by rotation and being eligible offers himself for re-appointment.
- To re-appoint M/s. P. Bholusaria & Co., Chartered Accountants (Firm Registration No. 000468N) 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditor) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s P. Bholusaria & Co., Chartered Accountants, New Delhi (Firm Registration No.: 000468N), the retiring Auditors of the Company be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company."

#### AS SPECIAL BUSINESS:

##### 4. Alteration of Memorandum of Association (MOA) of the Company.

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 provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to all the applicable laws and regulations including but not limited to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the approval of the members of the Company be and is hereby granted for alteration of the Memorandum of Association (MOA) of the Company as follows:

- Title of Clause III (A) "MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION" be replaced with the following:  
"THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:"
- Title of Clause III (B) "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS" be replaced with the following:  
"MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:"
- In Sub-clause 19 of Clause III (B) the words "provisions of Section 58A of the Companies Act 1956" be replaced with " applicable provisions of the Companies Act, 2013 or any other enactment in force"
- In Sub clause 24 of Clause III (B) the words " provisions of the Companies Act, 1956" be replaced with "applicable provisions of the Companies Act, 2013 or any other enactment in force"
- In Sub clause 34 of Clause III (B) the words " provisions of the Companies Act, 1956" be replaced with " provisions of the Companies Act, 2013 or any other enactment in force"
- In Sub clause 45 of Clause III (B) the words " Subject to Section 391 to 394 of the Act" be replaced with " Subject to the provisions of the Companies Act, 2013 or any other enactment in force"
- The Clause III (C), the OTHER OBJECTS of the Memorandum of Association of the Company be deleted.
- Clause IV: "The liabilities of the members is limited" be replaced with the following:  
"The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all such acts, deeds and things and to sign all such forms, returns and other documents as may be necessary in order to give effect to the above resolution."

BY ORDER OF THE BOARD  
For HB ESTATE DEVELOPERS LTD.

Sd/-  
RAJESH SINGH CHAHAR  
COMPANY SECRETARY

Place : Gurgaon  
Date : 26.05.2016

#### 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 FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON CANNOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- 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 **14th September, 2016 to 20th September, 2016** (Both days inclusive).
- Under Section 205A of the Companies Act, 1956, 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 Rs. 10,11,074/- (Rupees Ten Lacs Eleven Thousand Seventy Four Only) being the unpaid and unclaimed dividend amount pertaining to Final Dividend, 2008 on 26<sup>th</sup> October, 2015, to the Investor Education and Protection Fund of the Central Government being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31<sup>st</sup> March, 2008.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the Shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2008 to 2013, as on the date of the last Annual General Meeting, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Centre" on the website of the Company viz. [www.hbestate.com](http://www.hbestate.com)

- 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 are requested to send a duly Certified Copy of the Board Resolution authorizing their representative(s) 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.
- Members are requested to:
  - 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@rcmcldelhi.com](mailto:shares@rcmcldelhi.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.
  - Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.

- 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 to keep 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.

#### 11. 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 Members are provided 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. 13th September, 2016**, 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. 13th September, 2016 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 commences on 17th September, 2016 (09.00 A.M) and ends on 19th September, 2016 (05.00 P.M).** The Remote e-voting module shall be disabled by Karvy for voting thereafter.
- (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) Ms. Jyoti Sharma (Membership No. 22578; C.P. No. 10196), Company Secretary in Whole-time Practice has been appointed as the Scrutinizer and Mr. Anuj Kumar Solanki (Membership No. 31746; C.P. No. 13132), Company Secretary in Whole-time Practice has been appointed as the alternate Scrutinizer to scrutinize 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: [legal2015js@gmail.com](mailto:legal2015js@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.

12. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 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.
13. 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.
14. 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. Jagmohan Lal Suri
<b>Directors Identification Number (DIN)</b>	00002373
<b>Date of Birth</b>	27th April, 1938
<b>Date of Appointment</b>	20th September, 1994
<b>Profile/ Expertise in Specific functional Areas.</b>	Mr. Jagmohan Lal Suri is an Engineer by profession. He headed the operations of a Swedish Multinational before his association with the HB Group. He brings with him decades of long experience in Corporate Administration. Mr. Suri is also a member of the Audit Committee and Nomination & Remuneration Committee and the Chairman of Stakeholders Relationship Committee, of the Board of Directors.
<b>Qualifications</b>	B.E
<b>List of Directorship in other Listed entities. (As on 31st March, 2016)</b>	1. HB Portfolio Limited 2. RRB Securities Limited
<b>Membership of Committee of the Board in other Listed entities. (As on 31st March, 2016)</b>	<b><u>Audit Committee</u></b> 1. HB Portfolio Limited 2. RRB Securities Limited <b><u>Stakeholder Relationship Committee</u></b> 1. RRB Securities Limited 2. HB Portfolio Limited <b><u>Corporate Social Responsibility Committee</u></b> 1. HB Portfolio Limited
<b>Shares held by the Director</b>	500 (Jointly with his wife)

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

Place : Gurgaon  
Date : 26.05.2016

Sd/-  
**RAJESH SINGH CHAHAR**  
(COMPANY SECRETARY)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO. 4:**

As per the provisions of Companies Act, 2013, the Memorandum of Association (MOA) of a Company shall state the Objects for which the Company is incorporated and any matter considered necessary in furtherance thereof It shall also state that the liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them. Further, any provision contained in the Memorandum shall, to the extent to which it is repugnant to the provisions of the Companies Act, 2013, become void, as the case may be. Therefore, Other Objects clause mentioned in the Memorandum of Association of the Company is repugnant to the provisions of Memorandum of Association under the Companies Act, 2013. Accordingly, the Board of Directors of the Company has decided to alter the existing Memorandum of Association of the Company in line with the provisions of the Companies Act, 2013 by making suitable changes thereto.

The Draft Memorandum of Association would also be available for inspection by the members at the Registered Office of the Company during normal business hours on all working days upto and including the date of the meeting.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution set out at Item No. 4.

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

Place : Gurgaon  
Date : 26.05.2016

Sd/-  
**RAJESH SINGH CHAHAR**  
COMPANY SECRETARY



## HB ESTATE DEVELOPERS LIMITED

### DIRECTORS' REPORT

#### To the Members,

Your Directors are pleased to present the 22<sup>nd</sup> Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2016.

#### FINANCIAL RESULTS

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

PARTICULARS	(₹ in Lakhs)	
	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Total Turnover</b>	<b>7014.49</b>	6623.03
<b>Gross Profit/ (Loss)</b>	<b>1747.30</b>	1521.27
<b>Add/ (Less) : Exceptional Items</b>	<b>37.90</b>	-1023.60
<b>Less :</b>		
(a) Depreciation	1504.66	1491.50
(b) Finance Cost	3050.14	3104.77
(c) Deferred Tax Charge	313.35	409.32
<b>Net Profit/(Loss)</b>	<b>-3082.95</b>	-4507.92
<b>Appropriations :</b>		
General Reserve	0	0
Proposed Dividend	0	0
Tax on Dividend	0	0
Balance Brought Forward	-10746.99	-3050.00
Addition on Account of Amalgamation	0	-3189.07
<b>Accumulated Profits</b>	<b>-13829.94</b>	-10746.99

#### DIVIDEND

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

#### PERFORMANCE REVIEW & OUTLOOK

The total income for the year under review was ₹ 7014.49 lakhs as against ₹ 6623.03 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 Rs. 6747.45 lakhs as compared to ₹ 5774.97 lakhs during the previous year.

During the financial Year 2015-2016 the Company has reported higher Gross Profit amounting to ₹ 1747.30 lakhs compared to ₹ 1521.27 lakhs in the previous year. However Net Loss (after deduction of exceptional items, depreciation, finance cost and deferred tax charge) amounting to ₹ 3082.95 lakhs compared to ₹ 4507.92 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.

#### SCHEME OF ARRANGEMENT

The Board of Directors in their meeting held on 10th February, 2016 have approved a Composite Scheme of Arrangement ('the Scheme') between HB Estate Developers Limited ('the Company'), HB Stockholdings 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 01st April, 2015 to 03rd April, 2015.

The Company has filed the Draft Scheme along with required documents / information with the Bombay Stock Exchange Limited (BSE) Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. - CIR/CFD/CMD/16/2015 dated November 30, 2015. Upon receipt of necessary observation letter from BSE, the Company shall file the said Scheme with the Hon'ble High Court of Punjab & Haryana at Chandigarh / National Company Law Tribunal (NCLT) or such other forum or authority, as may be designated. The Draft Scheme and other documents have been uploaded on the website of the Bombay Stock Exchange (BSE), [www.bseindia.com](http://www.bseindia.com) and also on the Company's website, [www.hbestate.com](http://www.hbestate.com) having following web link, [www.hbestate.com/Investor Centre/Scheme of Arrangement](http://www.hbestate.com/Investor Centre/Scheme of Arrangement)

#### STATUTORY STATEMENTS

##### (i) Share Capital

The paid up Share Capital of the Company as on March 31, 2016 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.

##### (ii) 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 2015-2016 forms part of Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

##### (iii) 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.

##### (iv) 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.

##### (v) 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 to the Financial Statements.

##### (vi) 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 ₹ 2398.06 lakhs. The foreign exchange outgo during the said period was ₹ 5.15 lakhs towards payment of Professional and Technical fees and ₹ 67.51 lakhs towards advertisement and other expenses.

#### 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, 2016, 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 2015-2016 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, 2016, 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.

#### MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE 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; a Report on the Corporate Governance together with the Compliance Certificate from the Company's Statutory Auditor's confirming compliance(s) forms an integral part of this report.

#### 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 centre/Corporate Governance).

#### 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 Board of Directors, on the recommendation of the Audit Committee, has approved a Policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules made there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The



## HB ESTATE DEVELOPERS LIMITED

Policy on Related Party Transactions has been uploaded on the website of the Company, [www.hbestate.com](http://www.hbestate.com) having following web link, [www.hbestate.com/Investorcentre/CorporateGovernance](http://www.hbestate.com/Investorcentre/CorporateGovernance).

### **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.

### **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 10<sup>th</sup> February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

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

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/InvestorCentre/CorporateGovernance](http://www.hbestate.com/InvestorCentre/CorporateGovernance).

### **RISK MANAGEMENT POLICY**

The Company has adopted the Risk Management Policy for Risk Assessment and minimization. These procedures are reviewed to ensure that the management controls risk through means of a properly defined framework. The Risk Management Policy is a part of Management Discussion and Analysis and forms a part of this report.

### **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors in their meeting held on 12<sup>th</sup> August, 2014 constituted the Internal Complaint Committee and adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Internal Complaint Committee comprises of following members:

- Mrs. Banmala Jha, Presiding Officer (Sr. V.P Legal – HB Stockholding Ltd.)
- Mrs. Madhu Suri, Member (Working in the Delhi Legal Services Authority as a Counsellor)
- Mr. Anil Goyal, Member (Director)
- Mr. Rajesh Singh Chahar, Member (Company Secretary)

The Company has not received any complaints on sexual harassment during the year under review.

### **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**

M/s. P. Bholusaria & Co., Chartered Accountants, New Delhi (Firm Registration No.: 000468N), the Statutory Auditors of the Company shall hold office till the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received a letter from them to the effect that their re-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 re-appointment. Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements.

#### **(ii) Internal Auditors**

M/s. M.K. Choudhary & Co., Chartered Accountants, New Delhi are the Internal Auditors of the Company and M/s T.R. Chadha & Co. LLP, Chartered Accountants, are the Internal Auditors of the hotel project of the company, Vivanta by Taj, Gurgaon- NCR, and their 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 2015-2016. The Report of the Secretarial Audit in Form MR-3 is annexed as "Annexure- I".

Observation(s) made by the Secretarial Auditor:

- 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 2015-2016. The CSR Policy has been uploaded on the website of the Company - [www.hbestate.com](http://www.hbestate.com). Web link- [www.hbestate.com/Investorcentre/CSR](http://www.hbestate.com/Investorcentre/CSR) and is annexed as "Annexure - II" and forms part of the Director's Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Jagmohan Lal Suri, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

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.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Praveen Gupta, Chief Financial Officer and Mr. Rajesh Singh Chahar, Company Secretary are designated as the Key Managerial Personnel of the Company.

### **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.

### **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.

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the 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.

### **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:

- The ratio of the remuneration of each director to the median remuneration of the employees of the for the financial year, and
- 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	% Increase in remuneration in the financial year 2015-16	Ratio of Remuneration of each Director/ to median remuneration of employees
1.	Mr. Lalit Bhasin	Director (Non-executive)	Nil	Nil
2.	Mr. Anil Goyal	Director (Non-executive)	Nil	Nil
3.	Mr. Jag Mohan Lal Suri	Director (Non-executive)	Nil	Nil
4.	Mr. Rajesh Jain	Director (Non-executive)	Nil	Nil
5.	Mrs. Asha Mehra	Director (Non-executive)	Nil	Nil
6.	Mr. Luv Malhotra	Director (Non-executive)	Nil	Nil
7.	Mr. Praveen Gupta	Chief Financial Officer	Nil	
8.	Mr. Rajesh Singh Chahar	Company Secretary	Nil	

**Note:** Non of the Directors has received any remuneration other than sitting fee during the financial year 2015-16





3. The percentage increase in the median remuneration of employees in the financial year:  
**Nil**

4. The number of permanent employees on the rolls of the Company:  
**17 (seventeen) employees on the Company rolls and 223 employees on the rolls of Vivanta by Taj, Gurgaon (Hotel Unit of the Company) – operated by The Indian Hotels Company Limited.**

5. The explanation on the relationship between average increase in remuneration and Company performance:  
**Not Applicable**

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

Particulars	₹ (Lacs)
Remuneration of Key managerial Personnel during financial year 2014-15	33.19
Revenue from Operations	6800.18
Remuneration (as % of revenue)	0.49
Profit before tax (PBT)	(2769.61)
Remuneration(as % of PBT)	(1.20)

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	As at 31st March, 2016	As at 31st March, 2015	Variation
Closing rate of Share (BSE) (Rs.)	7.30	9.51	(30.27)%
EPS (Rs.)	(19.10)	(27.93)	(46.23)%
Market Capitalization (Rs./Lacs)	1178.09	1534.75	(30.27)%
Price Earning ratio	(0.38)	(0.34)	(10.53)%

8. 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**

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

₹ In Lakhs

Particulars	Chief Financial Officer	Company Secretary
Remuneration	29.79	3.40
Revenue	6800.18	6800.18
Remuneration (as % of revenue)	0.44	0.05
Profit before tax (PBT)	(2769.61)	(2769.61)
Remuneration(as % of PBT)	(1.08)	(0.12)

10. The key parameters for any variable component of remuneration availed by the directors:  
**Not Applicable**

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
**None**

12. It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013, 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**

**Place : Gurgaon  
Date : 26.05.2016**

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



**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

(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, 2016** 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, 2016** 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\*;
      - (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 2015-16 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;

- (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 were taken except the following:

*Approval of a Composite Scheme of Arrangement by the Board of Directors between HB Stockholdings Ltd, HB Portfolio Ltd and HB Estate Developers Ltd and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of Companies Act, 1956 or any corresponding provisions of Companies Act, 2013.*

*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 : 26th May, 2016**

**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 : 26th May, 2016**