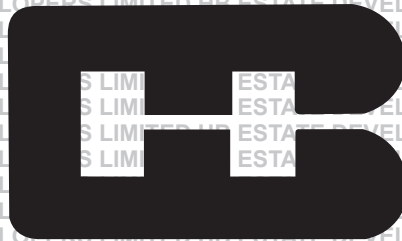


# 23rd Annual Report 2016 - 17



**HB ESTATE DEVELOPERS LIMITED**



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

**BOARD OF DIRECTORS**

<b>Mr. Lalit Bhasin</b>	Chairman
<b>Mrs. Asha Mehra</b>	Director
<b>Mr. Anil Goyal</b>	Director
<b>Mr. J.M.L. Suri</b>	Director
<b>Mr. Rajesh Jain</b>	Director
<b>Mr. Luv Malhotra</b>	Director

**COMPANY SECRETARY**

Mrs. Radhika Khurana

**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, Gurugram - 122 001, Haryana

Ph : 0124-4675500, Fax : 0124-4370985

Email : corporate@hbestate.com

CIN: L99999HR1994PLC034146

**WEBSITE**

<http://www.hbestate.com>

**REGISTRAR & SHARE TRANSFER AGENT**

**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@rcmcdelhi.com

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 23<sup>RD</sup> 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 : Friday**

**Date : 29<sup>th</sup> September, 2017**

**Time : 11.00 A.M.**

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

(Please see route map provided in this Annual Report)

to transact the following business/(s):

### **AS ORDINARY BUSINESS:**

- To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2017, 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. Anil Goyal (DIN 00001938), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint M/s. G.C. Aggarwal & Associates, Chartered Accountants (Firm Registration No. 017851N) 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, 141, 142 and other applicable provisions of the Companies Act, 2013 (the Act), if any, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendations of the Audit Committee and the Board of Directors, approval of members be and is hereby accorded to the appointment of M/s G.C. Aggarwal & Associates, Chartered Accountants, New Delhi (Firm Registration No: 017851N) as the Statutory Auditors of the Company to hold office from the conclusion of this 23<sup>rd</sup> Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company, for a term of 5 years, subject to ratification by the members at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company."

### **AS SPECIAL BUSINESS:**

#### **4. Entering into Related Party Transaction with HB Portfolio Limited**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of 188 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment / modifications thereto or re-enactment thereof for the time being in force), Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Company's Policy on Related Party Transactions and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board), consent of the members be and is hereby accorded to the Board of Directors to enter into a contract(s) / arrangement(s) / transaction(s) with HB Portfolio Limited, a related party for selling the property developed and owned by the Company situated at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram - 122001, Haryana having Plot Area admeasuring 2220 Sq. Mtrs. together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises ('the property') on, as is where is basis, for such consideration as may be determined by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to sell the said property subject to the condition that the consideration should not be less than Rs. 30 Crores (Rupees Thirty Crores).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

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

Sd/-

**RADHIKA KHURANA  
(Company Secretary)**

**Membership No.: ACS-32557**

**Place : Gurugram**

**Date : 29.05.2017**

### **NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.**

PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A PROXY APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

- 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 **23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017** (Both days inclusive).
- The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, 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 **₹ 10,48,611/- (Rupees Ten Lacs Forty Eight Thousand Six Hundred Eleven Only) to IEPF on 27<sup>th</sup> September, 2016** being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31<sup>st</sup> March, 2009.

The new IEPF Rules mandate the companies to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to the demat account of IEPF Authority. However, the Shareholders are entitled to claim their Shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

In accordance with the aforesaid IEPF Rules, the Company has already sent notice to all the Shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.

The detail of Unpaid / Unclaimed Dividend lying with the Company as on the date of the last Annual General Meeting in respect of the financial years from 2009 to 2015 is available on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company; [www.hbestate.com](http://www.hbestate.com)

- The 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 dividends 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, RCMC Share Registry Pvt. Ltd. In case the holdings are in dematerialised form, the said details should be conveyed to their Depository Participant. Shareholders who wish to avail the ECS facility offered by the Company should in addition to the aforesaid bank details also furnish a photocopy of the cheque leaf to Company's Registrar and Share Transfer Agent in case of holding in physical mode and to the Depository Participant in case of dematerialised holding.

The bank particulars of the Shareholders recorded with the Depository Participant as on the Book Closure date(s), the data of which will be received through Depositories will be used by the Company for printing on 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 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.

- 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 intending to send their authorised representative to attend the Annual General Meeting, Pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly Certified Copy of the Board Resolution authorizing him 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.




**10. Members are requested to:**

- (a) 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@rcmcdelhi.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.

- (b) Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.

**11. 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.

**12. 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 company is pleased to provide the Members 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. 22<sup>nd</sup> September, 2017**, 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. 22<sup>nd</sup> September, 2017** 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 shall commence on Tuesday, 26<sup>th</sup> September, 2017 (09.00 A.M) and ends on Thursday, 28<sup>th</sup> September, 2017 (05.00 P.M).** Thereafter, the Remote e-voting module shall be disabled by Karvy for voting.
- (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) Mr. Arun Kumar Gupta, Company Secretary in Whole-time Practice (Membership No.: 21227, C.P. No.: 8003) failing him Mr. Kapoor Chand Garg, Company Secretary in Whole-time Practice (Membership No.: 7145, C.P. No.: 7829) have been appointed as the Scrutinizer for conducting 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: [aruncs.gupta@gmail.com](mailto:aruncs.gupta@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.

13. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 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.
14. 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.
15. 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. Anil Goyal
<b>Directors Identification Number (DIN)</b>	00001938
<b>Date of Birth</b>	22 <sup>nd</sup> February, 1959
<b>Date of Appointment</b>	20 <sup>th</sup> September, 1994
<b>Profile/ Expertise in Specific functional Areas.</b>	Mr. Anil Goyal is a fellow member of the Institute of Chartered Accountants of India. He brings with him more than 3 decades of expertise in the fields of finance, taxation, investment, banking, corporate restructuring and strategic planning. He is also a member of the Stakeholder Relationship Committee, of the Board of Directors.
<b>Qualifications</b>	Chartered Accountant
<b>List of Directorship in other Listed entities.(As on 31<sup>st</sup> March, 2017)</b>	1. HB Portfolio Limited 2. HB Stockholdings Limited 3. HB Leasing and Finance Company Limited 4. RRB Securities Limited
<b>Membership of Committee of the Board in other Listed entities. (As on 31<sup>st</sup> March, 2017)</b>	<b>Audit Committee</b> 1. HB Stockholdings Limited <b>Stakeholder Relationship Committee</b> 1. RRB Securities Limited 2. HB Portfolio Limited 3. HB Leasing and Finance Company Limited 4. HB Stockholdings Limited <b>Nomination and Remuneration Committee</b> 1. RRB Securities Limited <b>Corporate Social Responsibility Committee</b> 1. HB Portfolio Limited 2. HB Stockholdings Limited
<b>Shares held by the Director</b>	NIL
<b>Relationship with any Director(s) of the Company</b>	NIL

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

Sd/-  
**RADHIKA KHURANA**  
(Company Secretary)  
Membership No.: ACS-32557

Place : Gurugram  
Date : 29.05.2017

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

**ITEM No. 4**

HB Portfolio Limited is a Group Company of HB Estate Developers Limited which is primarily engaged in the business of investment of securities and to undertake other financial services.

The approval of the Shareholders is sought for entering into contract(s) / arrangement(s) / transaction(s) with HB Portfolio Limited for selling the property developed and owned by the Company (held as stock in trade) situated at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram – 122001, Haryana having Plot Area admeasuring 2220 Sq. Mtrs. together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises ('the property') on, as is where is basis. The said Property has one Basement, Stilt, Five Floors and Mumty with total covered area of approx. 3500 Sq. Mtrs. The consideration shall be determined on the basis of valuation to be done by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties subject to the condition that the consideration should not be less than Rs. 30 crores (Rupees Thirty Crores).

As per the provisions of Sec 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, except with the prior approval of the Company by a resolution, a Company shall not enter into a transaction with respect to selling or otherwise disposing of or buying property of any kind amounting to ten percent or more of net worth of the Company or Rupees One Hundred Crore, whichever is lower. Further, Sec 188 provides that no member of the Company shall vote on such resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

As per the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Company's Policy on Related Party Transactions, a transaction with a related party shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per its last audited financial statements.

The said transaction to be entered into by the Company would fall under the definition of the Material Related Party Transaction. The Listing Regulations requires that all material related party transactions shall require approval of the Shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

**Necessary Disclosures required under Sec 188 of the Companies Act, 2013 is given below:**

<b>Particulars</b>	<b>Information</b>
<b>Name of the Related Party</b>	HB Portfolio Limited
<b>Name of Director(s) or Key Managerial Personnel who is related and Nature of their relationship</b>	Mr. Lalit Bhasin, Director (Chairman) is also a Director (Chairman) being the Promoter and major Shareholder of HB Portfolio Limited. Mr. Anil Goyal, Director, Mr. JML Suri, Director are also on the Board of HB Portfolio Limited. Mr. Suri is also holding 500 Equity Shares of HB Portfolio Limited.
<b>Nature, Material terms and particulars of the contract or arrangement</b>	To sell the property developed and owned by the Company together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises on, as is where is basis, for such consideration as may be determined by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties.
<b>Monetary Value</b>	Not less than ₹ 30 Crores (Rupees Thirty Crores).

Mr. Lalit Bhasin, Mr. Anil Goyal, Mr. JML Suri, Directors are deemed interested in the said transaction. None of the other Directors and Key Managerial Personnel or their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company. The Board recommends the Resolution at Item No. 4 of the Notice for the approval of the Members.

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

Sd/-  
**RADHIKA KHURANA**  
(Company Secretary)  
Membership No.: ACS-32557

Place : Gurugram  
Date : 29.05.2017



## DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure to present the 23<sup>rd</sup> Annual Report of your Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

The summarized financial results of the Company during the year under review are as under:-  
(₹ In Lacs)

PARTICULARS	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>Total Turnover</b>	<b>7471.96</b>	7014.49
<b>Gross Profit/ (Loss)</b>	<b>1799.67</b>	1747.30
<b>Add/ (Less) : Exceptional Items</b>	<b>9.87</b>	37.90
<b>Less :</b>		
(a) Depreciation	1441.66	1504.66
(b) Finance Cost	3029.68	3050.14
(c) Deferred Tax Charge	237.65	313.35
<b>Net Profit/(Loss)</b>	<b>-2899.45</b>	-3082.95
<b>Appropriations :</b>		
General Reserve	0	0
Proposed Dividend	0	0
Tax on Dividend	0	0
Balance Brought Forward	-13829.95	-10746.99
Addition on Account of Amalgamation	0	0
<b>Accumulated Profits</b>	<b>-16729.40</b>	-13829.94

### PERFORMANCE REVIEW & OUTLOOK

The total income for the year under review was ₹ 7471.96 lakhs as against 7014.49 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 ₹ 6946.66 lakhs as compared to ₹ 6747.45 lakhs during the previous year.

During the financial Year 2016-2017 the Company has reported higher Gross Profit amounting to ₹ 1799.67 lakhs compared to ₹ 1747.30 lakhs in the previous year. However Net Loss (after deduction of exceptional items, depreciation, finance cost and deferred tax charge) amounting to ₹ 2899.45 lakhs compared to ₹ 3082.95 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.

### TRANSFER OF AMOUNT TO RESERVE

The Company does not propose to transfer any amount to reserves.

### DIVIDEND

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

### SCHEME OF ARRANGEMENT

The Board of Directors in their meeting held on 10th February, 2016 had approved a Composite Scheme of Arrangement ("the Scheme") between HB Estate Developers Limited ("the Company"), HB Stockholding 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 01<sup>st</sup> April, 2015, 02<sup>nd</sup> April, 2015 and 03<sup>rd</sup> April, 2015 as particularly defined in the Scheme of Arrangement.

The Company received NIL Observation Letter / No Objection Certificate dated 23<sup>rd</sup> June, 2016 from the Bombay Stock Exchange (BSE Limited) in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of the order dated 16<sup>th</sup> September, 2016 passed by the Hon'ble High Court of Punjab & Haryana at Chandigarh, the Court Convened Meeting (CCM) of the Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company was held on 10<sup>th</sup> December, 2016. The Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company accorded their necessary approval to the Scheme with the requisite majority. The Company has also received requisite approval to the Scheme from its Public Equity Shareholders by way of Postal Ballot including e-voting, result of which was declared on 12<sup>th</sup> December, 2016 pursuant to SEBI Circular bearing No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015.

The Company Petition has been duly transferred from the Hon'ble High Court of Punjab and Haryana, Chandigarh to the National Company Law Tribunal, Chandigarh Bench at Chandigarh as per the provisions of Sec 230 to 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Companies (Transfer of Pending Proceedings) Rules, 2016 notified by the Ministry of Corporate Affairs vide its Notification Dated 07<sup>th</sup> December, 2016 which came into force with effect from 15<sup>th</sup> December, 2016.

The matter came up for hearing on 11<sup>th</sup> May, 2017 before the National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh. The Hon'ble Bench of NCLT admitted the Second Motion Application filed by the Company and passed an order for issuing Notice along with copy of Petition and Scheme to various authorities. The next date of hearing has been fixed for 20<sup>th</sup> July, 2017.

The Copy of Scheme of Arrangement along with all other documents are available on the website of the Bombay Stock Exchange (BSE Limited), <http://www.bseindia.com> and also on the Company's website having following web link, [http://www.hbestate.com/Scheme\\_of\\_Arrangement.html](http://www.hbestate.com/Scheme_of_Arrangement.html)

### SHARE CAPITAL

The paid up Share Capital of the Company as on March 31, 2017 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.

Equity Shares of your Company are listed on Bombay Stock Exchange and Preference Shares of your Company are not listed on any Stock Exchange.

### 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 of the Financial Statements.

### 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.

### CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

### 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.

### 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, 2017, 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 2016-2017 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, 2017, 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**.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (i) Appointment / Reappointment / Resignation of Directors and KMP

As per the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Anil Goyal, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment. The Board of Directors recommends his re-appointment.

The information on the particulars of Director eligible for appointment in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

Mr. Rajesh Singh Chahar has resigned from the position of the Company Secretary with effect from 31<sup>st</sup> January, 2017. In pursuance to the provisions of Section 203 read with Rule 8 of Companies (Appointment and Remuneration) Rules, 2014 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, the Board of Directors in the Board Meeting held on 29<sup>th</sup> May, 2017 has appointed Mrs. Radhika Khurana as the Company Secretary and Compliance Officer, being designated as Key Managerial Personnel of the Company.


**(ii) Independent Directors Declaration**

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.

**(iii) 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 2016-2017 forms part of Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**(iv) 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.

**(v) 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.

**(vi) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of 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.

**(vii) Remuneration of the Director / KMP and 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 Company 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	Ratio of Remuneration of each Director /to median remuneration of employees	% Increase in remuneration in the financial year 2016-17
1.	Mr. Lalit Bhasin	Director (Non-executive)	N.A.	N.A.
2.	Mr. Anil Goyal	Director (Non-executive)	N.A.	N.A.
3.	Mr. Jag Mohan Lal Suri	Director (Non-executive)	N.A.	N.A.
4.	Mr. Rajesh Jain	Director (Non-executive)	N.A.	N.A.
5.	Mrs. Asha Mehra	Director (Non-executive)	N.A.	N.A.
6.	Mr. Luv Malhotra	Director (Non-executive)	N.A.	N.A.
7.	Mr. Praveen Gupta	Chief Financial Officer		Nil
8.	Mr. Rajesh Singh Chahar*	Company Secretary and Compliance Officer		Nil

**Note:** No Director received any remuneration other than sitting fee during the financial year 2016-17

\*Mr. Rajesh Singh Chahar resigned from the position of Company Secretary and Compliance Officer w.e.f. 31<sup>st</sup> January, 2017.

- The percentage increase in the median remuneration of employees in the financial year: **Nil**
- The number of permanent employees on the rolls of the Company: **17 (seventeen) employees on the Company rolls and 225 employees on the rolls of Vivanta by Taj, Gurgaon (Hotel Unit of the Company) – operated by The Indian Hotels Company Limited as on 31<sup>st</sup> March, 2017**
- 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**

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

**Not Applicable**

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

**MANAGEMENT DISCUSSION & ANALYSIS 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 confirming compliance(s) forms an integral part of this report.

**CORPORATE GOVERNANCE REPORT**

A Separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report and the Certificate from P. Bholusaria & Co., Chartered Accountants confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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 Policy on Related Party Transactions, as approved by the Board, has been uploaded on the website of the Company, [www.hbstate.com](http://www.hbstate.com) having following web link, [www.hbstate.com/Investor centre/Corporate Governance](http://www.hbstate.com/Investor%20centre/Corporate%20Governance).

**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 14<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 is available on the website of the Company having following web link, [www.hbstate.com/Investor centre/Corporate Governance](http://www.hbstate.com/Investor%20centre/Corporate%20Governance).

**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.hbstate.com](http://www.hbstate.com) and the web link for the same is [www.hbstate.com/Investor centre/Corporate Governance](http://www.hbstate.com/Investor%20centre/Corporate%20Governance).

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Board of Directors has adopted the Risk Management Policy which sets out the framework for the management of risks faced by the Company in the conduct of its business to ensure that all business risks are identified, managed and monitored. The contents of Risk Management Policy have been included in Management Discussion and Analysis forming part of this report.

**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 ₹ 2637.41 lakhs. The foreign exchange outgo during the said period was ₹ 6.16 lakhs towards payment of Professional and Technical fees and ₹ 78.94 lakhs towards advertisement and other expenses.

**DISCLOSURE AS PER THE SEXUAL PREVENTION OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and matters connected therewith incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at workplace and matters connected therewith or incidental thereto covering all aspects as contained under "The Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013".

During the financial year 2016-17, no complaint was received under the policy. The women employees were made aware about the provisions of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under and the provision of Internal Complaint Policy of the Company.

**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.




**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**

The term of M/s. P. Bholusaria & Co., Chartered Accountants, New Delhi (Firm Registration No.: 000468N), existing Statutory Auditors of the Company shall expire at the ensuing Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013.

On the recommendations of the Audit Committee, the Board of Directors in their meeting held on 29<sup>th</sup> May, 2017 considered and recommended for the appointment of M/s G.C. Agarwal & Associates, Chartered Accountants (FRN: 017851N) as the new Statutory Auditors of the Company for a term of five (5) consecutive years subject to the approval of the Members to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting until the conclusion of 28<sup>th</sup> Annual General Meeting of the Company. The Company has received a letter from them to the effect that their 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 appointment.

M/s G.C. Agarwal & Associates, Chartered Accountants, Delhi (FRN 017851N) has been associated with the CA profession since last Thirty Three (33) years. The Firm is engaged in the Audit of Private and Public Limited Companies, Societies and various other entities. These audits include Statutory & Tax Audits, Internal and Management and System Audits, Stock Audits and other Special Assignments. The Firm is holding a Peer Review Certificate issued by The Institute of Chartered Accountants of India, New Delhi.

Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements.

**(ii) Internal Auditors**

M/s. Marv & Associates LLP (Formerly M.K. Choudhary & Co.), Chartered Accountants, New Delhi are the Internal Auditors of the Company and the 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 2016-2017. The Report of the Secretarial Audit in Form MR-3 is annexed as "**Annexure- I**".

Observation(s) made by the Secretarial Auditor:

- (a) 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 2016-2017. The CSR Policy has been uploaded on the website of the Company - [www.hbestate.com](http://www.hbestate.com), Web link- [www.hbestate.com/investor-centre/Corporate Governance](http://www.hbestate.com/investor-centre/Corporate-Governance) and is annexed as "**Annexure - II**" and forms part of the Director's Report.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in Form MGT-9 as per Section 92(3) of the Companies Act, 2013 and Rule 12 of the companies (Management and Administration) Rules, 2014, 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 : Gurugram  
Date : 29.05.2017

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



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

(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, 2017** 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, 2017** 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;\* and
    - (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 2016-17 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 and the Listing Agreement with the Bombay Stock Exchange Ltd.; and
  - (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.

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 : 29.05.2017**

**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 : 29.05.2017**