



BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

COMPANY SECRETARY

Mr. V. Shankar

AUDITORS

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

REGISTERED OFFICE

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurgaon - 122 001
Ph : 0124-4675500, Fax : 0124-4370985

WEBSITE

www.hbestate.com

REGISTRAR & SHARE TRANSFER AGENT

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

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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Company will be held as follows:

Day : Wednesday
 Date : 12th August, 2009
 Time : 10.30 A.M.
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector-14, Gurgaon-122001, Haryana.

to transact the following business:

AS ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
- To declare dividend.
- To appoint a Director in place of Mr. C. K. Hazari who retires by rotation and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr. Anil Goyal who retires by rotation and being eligible offers himself for reappointment.
- To appoint Auditors and to fix their remuneration.

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

Place : Gurgaon
 Date : 11-05-2009

**ANIL GOYAL
 DIRECTOR**

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
- The Register of Members and Share Transfer Books of the Company shall remain closed from 06-08-2009 to 12-08-2009 (both days inclusive).
- Dividend, if declared at the Annual General Meeting will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company after

giving effect to all valid requests for transfer of shares lodged with the Company on or before the close of business hours on 05-08-2009 or to their mandates. The dividend in respect of Shares held in dematerialised form would be payable to the beneficial owners of Shares recorded with the depositories as of the end of 05-08-2009 as per the details furnished by the Depositories for the purpose.

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

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

- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:
 - Notify any change in their address to the Company including PINCODE or to the Registrar and Share Transfer Agent of the company namely, RCMC Share Registry Pvt. Ltd., B-106, Sector-2, Noida-201301; Phones: (0120) 4015880; Fax (0120) 2444346; E-mail: shares@rcmdlhl.com Members whose shareholding is in the dematerialised mode are requested to direct change of address notifications to their respective Depository Participants.
 - Bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.
- Details of Directors seeking appointment/reappointment at the ensuing Annual General Meeting (Pursuant to clause 49 of the Listing Agreement).

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

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

Place : Gurgaon
 Date : 11-05-2009

**ANIL GOYAL
 DIRECTOR**


DIRECTORS REPORT

To the Members,

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

FINANCIAL RESULTS:

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

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

DIVIDEND

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

PERFORMANCE REVIEW

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

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

As reported in the last Annual Report, the company had entered into a long term agreement with Indian Hotels Company Ltd. (IHCL) for operating the Hotel, the construction of which is now under progress, in the category of Five Star under TAJ Portfolio of Hotels. Under the Agreement, during the construction stage IHCL would also provide technical assistance. The company has appointed various reputed consultants required for the project.

Further the design of Hotel has been finalized, and after receiving requisite approval of building plans from HUDA, the company has also taken other necessary permissions eg. Approval of height of the building from Airport Authority, Five Star approval from Ministry of Tourism, Environment clearance from Ministry of Environment and Forest. etc. The construction of the Hotel is under progress and is completed upto basements. The Hotel is expected to be ready before the Commonwealth Games in 2010.

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

FORFEITURE OF PARTLY PAID SHARES.

In view of the requirement under the SEBI (DIP) Guidelines, 2000 to forfeit equity shares on which the allotment/call money are in arrears/outstanding for more than 12 months, the board

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

STATUTORY STATEMENTS

Your Company has not accepted any deposits from the public during the year. The particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption are not applicable to your company. During the year under review there have been no foreign exchange earnings. The foreign exchange outgo during the said period was Rs.20,31,392/- on account of travelling; and Rs. 2,42,55,920/- towards payment of Professional and Technical fees.

The provisions of Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable, as there were no employees who were drawing or in receipt of remuneration of prescribed amount during the year under review. Pursuant to Section 217(2AA) it is hereby stated that in the preparation of the Annual Accounts for the year under review, the applicable accounting standards have been followed. The Directors' have selected such accounting policies and applied them consistently and made judgements and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review and of the profit or loss of the company for that period. The Directors' have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. Further, the Directors' have prepared the annual accounts, for the year under review, on a going concern basis.

CORPORATE GOVERNANCE

The Report on Corporate Governance is annexed hereto and forms a part of the Directors' Report.

STATEMENT PURSUANT TO LISTING AGREEMENT(S)

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

AUDITORS REPORT

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

AUDITORS

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

DIRECTORS

Mr. Puneet Nikore, Executive Director had resigned from the board of directors of the company w.e.f. 1st February, 2009. The directors placed on record their appreciation of the valuable services rendered by him during his tenure.

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

Mr. C.K. Hazari and Mr. Anil Goyal being longest in Office retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD

Place: Gurgaon
Date: 11-05-2009

Lalit Bhasin
Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS
1. Operating Results

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

The Administrative expenses for the year under review were Rs.255.31 lakhs as compared to Rs.214.96 lakhs during the previous year. The increase is primarily due to additional manpower recruited and other operational costs for Hotel Project.

2. Ongoing Projects

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

The company has entered into a long-term management agreement with The Indian Hotels Company Ltd. (IHCL) for operating company's upcoming Hotel located at Sector 44, Gurgaon. Under the said Agreement, the Hotel would be operated in the Five Star category under the TAJ portfolio of Hotels. During the construction phase, IHCL would also provide its technical expertise. The design of Hotel has been finalized. After receiving requisite approval of building plans from HUDA, the company has also taken other

necessary permissions eg. Approval of height of the building from Airport Authority, Five Star approval from Ministry of Tourism, Environment clearance from Ministry of Environment and Forest. etc. The construction of the Hotel is under progress and is completed upto basements. The Hotel is expected to be ready before the Commonwealth Games in 2010.

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

3. Industry Trends and Business Analysis

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

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

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



4. Opportunities and Threats

Gurgaon which has witnessed unprecedented growth in business districts coupled with a fast developing residential district and retail malls has been able to attract conglomerates and MNCs to set up offices. Once the recession is over, Gurgaon is expected to see sharp growth. The company's Hotel project at Sector 44, Gurgaon enjoys locational proximity with the main business districts.

As in any other sector, the company would face competitive threat from other players both existing as well as the new. However, having entered into a long-term agreement with experienced and leading hotel chain for operation of the Hotel the competition would be addressed with main emphasis on superior quality of services and amenities.

5. Future Prospects and Outlook

While most developed economies in the world are expected to be in recession, a vast majority of developing countries including India are experiencing a sharp reversal in the robust growth registered in the period 2002-2007. Real Estate sector which is presently going through very rough times is likely to get much rougher with the widely spread global recession. Property prices have been on a slow but steady decline over the past year-and-a-half. Experts predict that this trend will continue and one can expect a 15-20 per cent further drop in prices in the next year or so before they move toward stagnancy. As regards Hotels and Hospitality sector, the recent terror attacks in Mumbai have added to the woes of the hospitality industry that is already reeling under the impact of the global financial meltdown. A sharp decline of the rupee against most foreign currency should have geared up growth of foreign tourist arrivals in India, but the global financial crisis and rising terrorist activities have brought the entire tourism industry growth under a cloud.

6. Risks and concerns

Some of the concerns for hospitality and travel industry are the global crisis, slowdown in corporate earnings and rising air fares which is likely to impact the growth rate in traveling, tourism and the occupancy level at hotels. Tourism being highly sensitive industry, any adverse political or other unforeseen unfortunate events can put a halt on the foreign traffic movement.

The lack of uniformity in the regulatory environment concerning the real estate, higher incidence of stamp duty as also the availability of quality manpower, market research models and reliable databases on industry are other major concerns that needs to be addressed.

7. Internal control system and their adequacy

The Company has adequate internal controls commensurate with its size to ensure protection of assets against loss from unauthorised use and all the transactions are authorised, recorded and reported correctly. The internal control is also supplemented by internal audit conducted by an external and independent firm of Chartered Accountants on an ongoing basis.

The Internal Audit Reports along with management comments thereon are reviewed by

the Audit Committee of the Board. Besides, the Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

8. Financial performance

- a) Share Capital: The Company's issued and subscribed share capital consists of Equity Share capital only. The paid-up share capital of the company as at 31st March 2009 stood at Rs.1231.60 lakhs which includes Rs.1204.22 lakhs on account of 1,20,42,292 Equity Shares of Rs.10/- each and Rs.27.38 lakhs standing to the credit of shares forfeited account being the amount originally paid up on 8,29,415 partly paid up Equity Shares forfeited for non payment of allotment/call money. In the meeting held on 23-07-2008, the Board of Directors annulled forfeiture in respect of 77 equity shares after receipt of proper payment details and documentary proof evidencing payment of allotment/call money earlier from the concerned shareholders. After aforesaid annulment 8,29,338 Equity Shares remains forfeited and these shares have not been reissued.
- b) Reserves and Surplus: At the end of the year under review, the Reserves and Surplus stood at Rs.8899.53 lakhs as against Rs.7544.19 lakhs at the end of the previous year.
- c) Loan Funds: In order to finance the Hotel Project, the company has raised funds through short term borrowings on competitive terms. The outstanding loans as on 31-03-2009 were Rs.6873.78 lakhs.
- d) Current Assets & Current Liabilities: The current assets and current liabilities stood at Rs.2753.28 lakhs and Rs.2646.69 lakhs respectively against Rs.3705.62 lakhs and Rs.4979.01 lakhs respectively in the last year. The net current assets (Current Assets less Current Liabilities) as at the end of the year stood at Rs. 106.59 lakhs compared to Rs.(-)1273.39 lakhs.

9. Human Resources

The company has adequate human resources to man its various activities as of now. The company reviews its manpower requirement from time to time vis-à-vis current volume of activities and inducts suitable personnel as per requirement.

During the year under review, competent persons at senior and middle management levels with support staff were inducted for overseeing the Hotel Project at Gurgaon.

The company follows a sound man management practices as it recognises that employees are the foremost assets and partners in its endeavors to achieve excellence in its operations and be a commercially successful organisation.

10. Cautionary Statement

Statements in this management discussion and analysis, describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downturn in the industry, significant changes in political and economic environment, tax laws, litigation, interests cost.

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Corporate Governance refers to a set of policies, principles, laws, rules, regulations and procedures that enable the company to attract best financial & human resources and to perform efficiently to maximise the long term value for the shareholders. Your company is committed to uphold good governance values and has been practicing the same over the years.

2. Board of Directors

The Board of Directors of your company comprises of 6 directors all being non-executive out of which five are independent directors. All Non-executive directors are proficient in their own fields and bring with them decades of rich and varied experience. Mr. Lalit

Bhasin of the Promoter Group is the Non Executive Chairman. Mr. Puneet Nikore, Executive Director (a Whole Time Director) of the company who resigned with effect from 1st February, 2009, was a Chartered Accountant having more than 20 years of experience in Strategic Planning, Financial Management and Taxation etc. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement.

5 Meetings of the Board of Directors of the Company were held during the year under review on 28th June, 2008; 23rd July, 2008; 4th September, 2008; 25th October 2008; and 17th January, 2009.

The particulars regarding composition of the Board of Directors, particulars of Director's other directorships and membership in committees of other public limited companies and their attendance in the Meetings held during the year under review are given hereunder:

Name of the Directors & Category	*Directorships in other public companies		*Committee Membership held in Other public companies		No. of Board Meetings during the year		Attended Last AGM	Shares held in the company & % to the paid-up capital
	Total	as Chairman	Total	as Chairman	Held	Attended		
Mr. Lalit Bhasin Promoter & Non Executive	14	3	4	Nil	5	4	Yes	9,79,759(8.14%)
Mr. C.K. Hazari Independent & Non Executive	3	Nil	5	1	5	5	Yes	Nil
Mr. Davendra Ahuja Independent & Non Executive	3	Nil	7	2	5	1	No	Nil
Mr. Anil Goyal Independent & Non Executive	11	Nil	5	1	5	5	Yes	Nil
Mr. J.M.L. Suri Independent & Non Executive	7	Nil	4	1	5	5	Yes	500#(not significant)
Mr. Rajesh Jain Independent & Non Executive	Nil	Nil	Nil	Nil	5	5	Yes	Nil
*Mr. Puneet Nikore Executive	N. A.	N. A.	N. A.	N. A.	5	4	Yes	Nil

*Resigned with effect from 01-02-2009

Joint Holding

In terms of the provisions of the Articles of Association of the company, one-third of such of the directors for the time being as are liable to retire by rotation shall retire from office at every annual general meeting. Accordingly, Mr. C.K.Hazari and Mr. Anil Goyal, being longest in office retire by rotation at the ensuing annual general meeting and being eligible offer themselves for re-appointment.

3. Board Committees

The Board of Directors of your company has in its meeting held on 20th December 2001 constituted two committees namely; Shareholders/Investors Grievance Committee and Audit Committee in due compliance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Board has also constituted a Remuneration

Committee on 21-04-2004 in due compliance of Schedule XIII of the Companies Act, 1956 and the Clause 49 of the Listing Agreement. Each of these committees is having its own terms of reference duly approved by the Board.

(A) **Audit Committee:** The Audit Committee, reconstituted on 25-10-2008 due to death of Mr. Bodhishwar Rai and co-opted Mr. Rajesh Jain as a member. At present the Committee comprise of directors - Mr. C.K. Hazari as its Chairman; Mr. J.M.L. Suri; and Mr. Rajesh Jain as Members. The Company Secretary for the time being acts as Secretary to the Committee. The Audit Committee has been empowered, inter-alia, to carry out the following functions:

- 1. To lay down, review and revise the accounting policies of the company.



2. To review the financial operations and performance of the company.
3. To review the half-yearly and annual financial accounts and other financial reports and statements, before placement thereof before the Board of Directors.
4. To consider and constitute sub-committees, wherever necessary for carrying out and/or monitoring the financial operations of the company.
5. To appoint whenever deemed expedient, an independent internal auditor to carry out continuous audit of the accounts and systems of the company, and also consider and/or review the appointment and removal of auditors of the company.
6. To consider and set up adequate internal control systems and review and monitor the same in consultation with the internal auditors and the auditors of the company and ensure compliance of the same.
7. To receive, discuss and consider the observations and reports of the internal auditors and auditors of the company time to time.
8. To review and investigate on the matter of financial nature, as and when deemed necessary and expedient.
9. To give report and/or recommendations to the Board on the matters concerning financial operations of the company.
10. To invite and summon any executive of the company and/or appoint experts, wherever necessary, and discuss with them the matters relating to the finance, audit and internal control system etc.
11. To obtain legal and professional advice wherever found necessary and expedient.
12. To consider and act on any matters as are included Under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
13. To deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time. During the year under review, the Committee met 4 times on 28-06-2008; 23-07-2008; 25-10-2008; and 17-01-2009 and the same were attended by all the committee members.

(B) Shareholders/Investors Grievance Committee: The Shareholders/Investors Grievance Committee as reconstituted on 24th December 2003, comprise of the directors - Mr. J.M.L. Suri as its Chairman; Mr. C.K. Hazari; and Mr. Anil Goyal as its Members. The Company Secretary acts as Secretary to the Committee. The committee has been empowered, inter-alia, to carry out the following functions:

1. To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
2. To review the status of dematerialisation of company's shares and matters incidental thereto.
3. To review and monitor the approval to the transfers and transmissions made by the Executive Director, under executive authority delegated to him from time to time.
4. To monitor the matters of litigation related to shareholders and take decisions relating thereto.
5. To consider, review and monitor the matters related to the shareholders grievances.
6. To consider and finalise the Report on Corporate Governance to be annexed with the Annual Report of the company.
7. To deal with any other matters related and/or incidental to the shareholders. Mr. J.M.L. Suri, Director has been empowered to approve transfers up to 10,000 Equity Shares under one folio at a time. During the year under review, the meetings of the committee were held on 29-04-2008; 26-05-2008; 28-06-2008; 23-07-2008; 20-09-2008; 25-10-2008; 17-11-2008; 24-12-2008; 17-01-2009; and 25-02-2009. The above meetings were attended by all the committee members.

(C) Remuneration Committee: The Remuneration Committee, reconstituted on 25-10-2008 due to death of Mr. Bodhishwar Rai and co-opted Mr. Rajesh Jain as a member. At present the Committee comprise of directors – Mr. C.K Hazari, Mr. Davendra Ahuja and Mr. Rajesh Jain. The Remuneration Committee has been empowered inter alia to consider, determine and approve and recommend to the Board of Directors the appointment and remuneration payable to Managerial Personnel (Managing/Whole Time Director).

No meeting of Remuneration Committee was held during the year under review.

Remuneration Policy: As per the remuneration policy the Whole Time Director(s) are to be remunerated by way of salary and perks as per the industry norms and within the limits specified under the Schedule XIII of the Companies Act, 1956. The remuneration package (containing all elements of compensation) of Mr. Puneet Nikore, Whole Time Director of the Company who was designated as Executive Director (resigned with effect from 1st February, 2009) is detailed herein below; the non executive directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board. The sitting fee for each meeting of Board of Directors and the Committee of Directors is fixed by the Board of Directors within the overall ceiling laid down under the Companies Act. The Directors' Remuneration paid during the year ended 31st March 2009 is as under:

Director	Relationship with other Director(s)	Sitting Fees Paid (Rs.)	Salary & Perks	Commission, if any
Mr. Lalit Bhasin	—	50,000/-	Nil	Nil
Mr. Anil Goyal	—	75,000/-	Nil	Nil
Mr. J. M. L. Suri	—	90,000/-	Nil	Nil
Mr. Bodhishwar Rai	—	Nil	Nil	Nil
Mr. C.K. Hazari	—	90,000/-	Nil	Nil
Mr. Davendra Ahuja	—	10,000/-	Nil	Nil
Mr. Rajesh Jain	—	63,000/-	Nil	Nil
Mr. Puneet Nikore	—	Nil	14,29,397/-	Nil

Remuneration Details of Mr. Puneet Nikore, Executive Director.

Basic Salary-Rs.1,20,000/- per month; HRA-40% of Basic; Reimbursement of Conveyance-Rs.12,000/- per month; Reimbursement of Books & Periodicals-Rs.4000/- per month; Reimbursement of Medical Expenditure for self and family – Rs.72,000/- per annum; Reimbursement of Leave Travel (LTA) for self and family once in a year subject to a maximum one month basic.

4. Code of Conduct.

The company has adopted a Code of Conduct applicable to all Directors and Senior Management personnel of the company and the same has been posted on the website of the company. For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said Code.

5. Risk Management

Risk assessment and minimization procedures are in existence and are reviewed periodically.

6. General Body Meetings:

(i) Location and time where the last 3 AGM's held

Year	Type	Location	Date	Time
2007-08	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon-122 001	04.09.2008	10.00 A.M.
2006-07	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon-122 001	29.08.2007	10:00 A.M.
2005-06	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon-122 001	05.09.2006	10:00 A.M.

(ii) List of Special Resolutions passed in the previous 3 AGMs

S. No.	Subject Matter	AGM Reference and Date of passing
1.	Approval for appointment of Mr. Puneet Nikore as Whole Time Director of the Company w.e.f. 30 th April 2007 for a period of 3 years and payment of remuneration.	13th AGM 29th August 2007
2.	Enabling approval for investments by FII's under Portfolio Investment Scheme under Foreign Exchange Management Act, 1999.	12th AGM 5th September 2006
3.	Enabling approval for payment of commission to Directors	12th AGM 5th September 2006

(iii) No Special Resolutions were put through postal ballot last year

(iv) No Special Resolution is proposed to be conducted through postal ballot

7. Disclosures:

- I. There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31-03-2009 (Refer Note No. 7 of Notes to Accounts - Schedule 11 forming part of the Balance Sheet & Profit & Loss Account). Accordingly the same have not been reproduced here.
- II. No penalty has been imposed or any strictures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during the last three years.
- III. Whistle Blower Policy being a non Mandatory Requirement has not been adopted by the company.
- IV. All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to/complied with except appointment of a Chief Financial Officer.
- V. The Non mandatory requirement relating to Remuneration Committee has been adopted by the company.

8. Means of Communication:

- I. Quarterly Results: Dissemination through stock exchange, company's website and through publication in newspaper as required under Listing Agreement.
- II. Newspapers wherein results normally published – Financial Express and Jansatta Website where displayed – www.hbestate.com
- IV. The Website also displays official news releases and important communications made to Stock Exchanges. As and when any presentations are made to institutional investors the same would be simultaneously uploaded in the company's website.

9. General Shareholder Information:

I. Ensuing Annual General Meeting Date, time and venue:

Venue	Date	Time
GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon-122 001	12th August, 2009	10.30 A.M.

- II. Financial Year : 31st March 2009
- III. Date of Book Closure: 06-08-2009 to 12-08-2009 (both days inclusive). The previous Book Closure remained w.e.f. 29-08-2008 to 04-09-2008 (both days inclusive).
- IV. Dividend Payment Date:
Subject to the approval of dividend by the shareholders, dividend warrants will be mailed to eligible members/beneficial owners (in respect of shares held in dematerialized form) on or before 11-09-2009.
- V. Listing on Stock Exchanges
The Company's Equity Shares are listed at Bombay Stock Exchange Ltd., Mumbai.
- VI. Stock Code : The Company's Scrip Code at BSE is 532334
- VII. Dematerialisation of Shares and Liquidity: The trading in the Equity Shares of the



Company has come under compulsory dematerialisation w.e.f. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.

The company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN No. allotted to Equity Shares of the Company is INE640B01013.

As at 31st March 2009, 96,97,904 Equity Shares of the company are held in dematerialised form constituting 80.53% of the Company's paid up share capital of Rs.12,04,22,920/- comprising of 1,20,42,292 equity shares of Rs.10/- each.

VIII. Market Price Data: The monthly High, Low during each month in the last financial year at BSE is as under:

Month	High	Low	Close	Volume
Apr-08	70.00	38.20	59.25	238331
May-08	59.95	43.00	46.70	45974
Jun-08	53.00	34.00	34.10	32342
Jul-08	44.00	26.00	38.35	24924
Aug-08	42.25	28.90	38.75	9940
Sep-08	41.90	26.00	28.00	30761
Oct-08	40.00	16.35	18.00	31794
Nov-08	25.00	17.75	20.00	14518
Dec-08	25.80	19.00	22.55	8215
Jan-09	25.80	17.00	20.80	13319
Feb-09	25.00	19.00	21.00	249432
Mar-09	29.75	17.00	25.55	822018

IX. Performance in comparison to broad based indices



X. Stock Performance-Absolute returns vis-à-vis broad based indices
1 year

HB Estate (-) 36%
BSE Sensex (-) 38%
BSE 200 (-) 41%

XI. Distribution of Shareholding and Shareholding Pattern as at 31-03-2009 is as under:

Distribution of Shareholding

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
1-500	81,900	99.64	34,63,424	28.76
501-1000	175	0.21	1,24,101	1.03
1001-2000	53	0.06	73,407	0.61
2001-3000	13	0.02	30,250	0.25
3001-4000	10	0.01	33,384	0.28
4001-5000	8	0.01	38,481	0.32
5001-10000	17	0.02	1,34,124	1.11
10001 and above	19	0.02	81,45,121	67.64
TOTAL	82,195	100.00	1,20,42,292	100.00

Shareholding Pattern

Category	No of shares held	% of Shareholding
A. Promoters Holding		
- Individuals	73,58,114	61.10
- Bodies Corporate	1,84,160	1.53
B. Public Shareholding (Institutions)		
- Mutual Funds and UTI	1,125	0.01
- Banks/Financial Institutions	75,195	0.62
- Foreign Institutional Investors	-	-
C. Public Shareholding (Non Institutions)		
- Bodies Corporate	2,21,549	1.84
- NRIs	1,06,282	0.88
- Indian Public	40,46,860	33.60
- Clearing Member/Intermediary	49,007	0.41
TOTAL	1,20,42,292	100.00

XII. The Company has no outstanding GDRs/ADRs/Warrants or any other instruments convertible into Equity.

XIII. Share Transfer System

Share Transfers are registered and returned within a period of 30 days from the date of receipt if the documents are clear in all respects. The authority for transfer of shares has been delegated to a Director for transfer of shares up to a fixed number beyond which the matters are placed before the shareholders/investors grievance Committee, which meets as and when, required. As reported by Company's RTA all valid requests for transfers during the year under review were transferred within the stipulated time limit.

XIV. The status of Investor's Grievance Redressal during 1-04-2008 to 31-03-2009 is as under:

Nature of Grievance	Received	Cleared
Non Receipt of Dividend	Nil	Nil
Non receipt of Share Certificates after transfer	18	18
Non Receipt of Annual Reports	16	16
Dematerialisation of Shares/Non receipt of duplicate share certificate	1	1
Total	35	35

XV. Compliance Officer: Company Secretary of the Company act as the Compliance Officer.

XVI. Registrar and Transfer Agents

RCMC Share Registry Pvt. Ltd., B-106, Sector 2, NOIDA-201301
Phones: (0120) 4015880; Fax (0120) 2444346; E-mail: shares@rcmcdelhi.com

XVII. Address for Correspondence

HB Estate Developers Limited,
Plot No.31, Echelon Institutional Area, Sector 32
Gurgaon-122001 (Haryana)

DECLARATION

I Manish Chandak, Authorised Signatory of HB Estate Developers Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, for the year ended March 31, 2009.

For HB Estate Developers Ltd.

Manish Chandak
Authorised Signatory

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The company has obtained a Certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges.

CERTIFICATE

To the Members of
HB Estate Developers Ltd.

We have examined the compliance of conditions of Corporate Governance by HB Estate Developers Ltd. for the year ended on 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except that the company was not having CFO during the year under review.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

Place : Gurgaon
Date : 11-05-2009

AMIT GOEL
PARTNER
(Membership No. 92648)



AUDITOR'S REPORT

THE MEMBERS OF

HB ESTATE DEVELOPERS LIMITED

We have audited the attached Balance Sheet of M/s. **HB ESTATE DEVELOPERS LIMITED** as at 31st March, 2009 and also the Profit and Loss Account and Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management .Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditor's Report) Order, 2003(as amended) issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that: -
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far, as appears from our examination of the said books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the accounting Standards referred to in Sub Section (3C) of section 211 of the Companies Act, 1956.
 - e) As informed and explained to us, none of the directors of the company is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon (Particularly Note No.3 and Note No.21) give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2009 and
 - b) In the case of the Profit & Loss account of the Profit for the year ended on that date and
 - c) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For P. BHOLUSARIA & CO.
Chartered Accountants

PLACE : Gurgaon
DATED : 11.05.2009

AMIT GOEL
PARTNER
(Membership No. 92648)

Annexure to Auditors' Report

Re: HB Estate Developers Ltd.

Referred to in Paragraph 1 of our report of even date

1.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year that would affect going concern status of the Company.
2.
 - a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted/taken by the company to/from companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (i) The company has not granted any loans, secured or unsecured during the year to the companies, firm or other parties covered in the register mentioned u/s 301 of the Companies Act 1956.
 - (ii)
 - (a) The Company had during the previous year taken loan aggregating to Rs 9,00,00,000/- from one Company covered in the register maintained under section 301 of the Companies Act ,1956 and the maximum amount involved during the year and the year end balances of the loan taken from such company was Rs 9,00,00,000/-
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the company.

- (c) The payment of principal amounts and interest in respect of such loans are regular/ as per stipulations.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods & services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
5.
 - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into in the register required to be maintained under that section.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the market price prevailing at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
8. The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
9.
 - a. According to the records of the Company and according to the information and explanation given to us, undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Service Tax, Excise duty, Custom duty, Cess and other material statutory dues as applicable have been generally regularly deposited by the company during the period with the appropriate authorities except for non deposit of instalments of advance tax. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st march,2009 for a period of more than six months from the date of becoming payable.
 - b. According to the records of the company, there was no disputed statutory dues that have not been deposited on account of the matters pending before appropriate authorities as on 31st March,2009 except for (i) property tax demand of Rs.67,36,724/- against which the company had filed Writ Petition before Hon'ble Delhi High Court and the company had been granted stay by the Hon'ble Court from the payment of said amount and the hon'ble court has directed the MCD to recompute the tax (ii) Income tax demand of Rs.19,49,550/- for A.Y.2006-07 for which the company is in Appeal before Commissioner of Income Tax (Appeal) and rectification application has also been filed before the Assessing officer (Also refer to note No. 3 of Schedule 11).
10. The company has no accumulated losses at the end of financial year and it has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
14. The Company is neither dealing nor trading in shares, securities, debentures and other investments therefore clause 4(xiv) of the Companies (Auditor's Report) order 2003 is not applicable to the company. In respect of Investments in shares the company has maintained proper records of transactions and contracts in respect thereto and timely entries have been made therein. All shares and securities have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loan during the year.
17. According to the information and explanations given to us, we are of the opinion that loans amounting to Rs.24.72 crores in the nature of overdraft facility have prima facie been used for long term investment purposes. i.e. for deployment for capital work in progress.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures have been issued by the company and hence the question of creating securities or charge in respect thereof does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For P. BHOLUSARIA & CO.
Chartered Accountants

PLACE : Gurgaon
DATED : 11.05.2009

AMIT GOEL
PARTNER
(Membership No. 92648)

HB ESTATE DEVELOPERS LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2009

Descriptions	Schedules	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	123160358	123160358
Reserves & Surplus	2	889953716	754418855
		1013114074	877579213
LOAN FUNDS			
— Secured Loan	3	163675	271418
— Unsecured Loan		687214563	90000000
		687378238	90271418
		1700492312	967850631
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	14209304	8344334
Less : Depreciation		5712521	4396576
		8496783	3947758
Net Block		1271394896	709015317
Capital Work in progress		1279891679	712963075
INVESTMENTS			
Deferred Tax Asset	5	409608374	381898262
		333169	328026
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	229302873	238697832
Cash and Bank Balances		17471744	10963357
Loans and Advances		28553861	120901092
		275328478	370562281
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	7	229896953	467884631
Provisions		34772435	30016382
		10659090	-127338732
TOTAL		1700492312	967850631
Significant Accounting Policies	10		
Notes on Accounts	11		

The Schedules referred above form an integral part of the accounts.
As per our report of even date attached herewith

For P. Bholusaria & Co. Chartered Accountants
Amit Goel Partner
Manish Chandak Authorised Signatory
Place : Gurgaon
Date : 11.05.2009

For and on behalf of the Board of Directors
Anil Goyal Director
Lalit Bhasin Chairman

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Descriptions	Schedules	Year Ended 31.03.2009 (Rupees)	Year Ended 31.03.2008 (Rupees)
INCOME			
Sales		141950750	0
Rent and Facility Service Charges		33533308	16995468
Share of Profit/(Loss) from AOP(net of taxes) (Refer note No.17)		-4196494	29028172
Other Income		3585626	1987086
Dividend Income (Gross)		1286142	2203791
Profit on Sale of Investments		46860701	139106278
Total		223020033	189320795
EXPENDITURE			
Increase(-)/Decrease(+) in stock	8	26146459	0
Administrative and other expenses	9	25531293	21496369
Depreciation	4	1315945	2713060
Total		52993697	24209429
Profit for the year before Tax		170026336	165111366
Provision for Tax			
— Current Tax		20000000	15500000
— Deferred Tax Charge / (Credit)		1380	-510268
— Fringe Benefit Tax		325000	170000
Profit for the year after Tax		149699956	149951634
Share of Loss from AOP for Previous year		0	-194697
Tax adjustments of earlier year		-63457	-575087
Profit available for appropriation		149636499	149181850
Proposed Dividend		12042292	12042215
Tax on Proposed Dividend		2046588	2046574
Residual Dividend of last year & tax thereon		91	317202
Transfer to General Reserve		100000000	100000000
Balance brought forward from last year		66483445	31073183
Balance carried forward to Balance Sheet		102030973	66483445
Earning per Share (in Rs.)			
— Basic		12.43	12.39
— Diluted		12.43	12.06
Significant Accounting Policies	10		
Notes on Accounts	11		

The Schedules referred above form an integral part of the accounts.
As per our report of even date attached herewith

For P. Bholusaria & Co. Chartered Accountants
Amit Goel Partner
Manish Chandak Authorised Signatory
Place : Gurgaon
Date : 11.05.2009

For and on behalf of the Board of Directors
Anil Goyal Director
Lalit Bhasin Chairman

SCHEDULE '1' : SHARE CAPITAL

Particulars	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
AUTHORISED		
20000000 Equity Shares of Rs. 10 each	200000000	200000000
10000000 Redeemable Preference Shares of Rs. 10 each	100000000	100000000
	300000000	300000000
ISSUED		
12871630 Equity Shares of Rs.10/- each	128716300	128716300
	128716300	128716300
SUBSCRIBED AND PAID UP :		
1,20,42,292 (Previous year 12042215) Equity Shares of Rs. 10 each	120422920	120422150
Add : Forfeited shares 829338 (P/Y 829415 shares) (Amount originally paid up)	2737438	2738208
	123160358	123160358

SCHEDULE '2' : RESERVES AND SURPLUS

Particulars	As at 31.03.2009	As at 31.03.2008
SHARE PREMIUM ACCOUNT		
As per last account	499742116	499609995
Add : Recovery of allotment money during the year	0	132121
	499742116	499742116

Particulars	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
GENERAL RESERVE		
As per last year	188193294	88178712
Add : Transferred from Profit & Loss A/c	100000000	100000000
Add : Transitional effect of AS-15 (Refer Note No- 20)	-12667	14582
	288180627	188193294
PROFIT & LOSS ACCOUNT (As per annexed account)	102030973	66483445
	889953716	754418855

SCHEDULE '3' : LOAN FUNDS

(A) SECURED LOAN			
— Loan from Bank (Secured against hypothecation of vehicle financed) Repayable within a year Rs.120448/- (Previous Year 107743/-)	163675		271418
(B) UNSECURED LOAN			
— Intercompany Loans	440000000		90000000
— Overdraft Facility from bank (Secured against FDRs of Third Party)	247214563		0
Total	687378238		90271418



SCHEDULE '4' : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2008	Additions during the year	Sales/Adj. during the year	As at 31.03.2009	Upto 31.03.2008	For the year	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
FURNITURE & FIXTURES	3526512	5401031	0	8927543	2906853	727577	3634430	5293113	619659
OFFICE EQUIPMENTS	1590051	86239	0	1676290	194179	86796	280975	1395315	1395872
VOLTAGE STABILIZER	50866	0	0	50866	35545	2416	37961	12905	15321
VEHICLES	916286	0	0	916286	450515	87047	537562	378724	465771
COMPUTERS	2260619	377700	0	2638319	809484	412109	1221593	1416726	1451135
TOTAL	8344334	5864970	0	14209304	4396576	1315945	5712521	8496783	3947758
CAPITAL WORK IN PROGRESS (Refer Note No.6 of Schedule 11)	709015317	562379580	0	1271394896	0	0	0	1271394896	709015317
TOTAL	717359651	568244550	0	1285604200	4396576	1315945	5712521	1279891679	712963075
Previous Year	350383461	366976190	0	717359651	1683516	2713060	4396576	712963075	348699945

SCHEDULE '5' : INVESTMENTS

Name of the company	Face Value (Rs.)	As at 31.03.2009		As at 31.03.2008	
		Qty (Nos)	Amount (Rs.)	Qty (Nos)	Amount (Rs.)
(A) LONG TERM INVESTMENTS					
(I) IN FULLY PAID EQUITY SHARES OF COMPANIES					
a) QUOTED					
— Non Trade					
Royal Orchid Hotels Ltd.	10	496	81840	496	81840
RRB Securities Ltd. (*)	10	86100	8610000	86100	8610000
PBA Infrastructure Ltd.	10	20000	3359108	20000	3359108
Greaves Cotton Limited	10	61394	19702870	61394	19702870
— Trade					
Jai Prakash Associates Ltd.	2	904780	36256468	1159780	46474862
Total (a)		1072770	68010286	1327770	78228680
b) UNQUOTED (NON-TRADE)					
Harsai Investments Ltd.	10	200000	2000000	200000	2000000
CHL (South) Hotel Ltd.	10	—	—	100000	1000000
Total (b)		200000	2000000	300000	3000000
Total -I (a+b)		1272770	70010286	1627770	81228680
(II) CONTRIBUTION TO ASSOCIATION OF PERSONS (TRADE)					
Parsvnath Developers (AOP) (Refer Note No.17 of Schedule '11')		—	339598088	—	300669582
Total-II		—	339598088	—	300669582
Grand Total-(I+II)		1272770	409608374	1627770	381898262

NOTE:

- Aggregate cost of Quoted Investments Rs.6,80,10,286/- (Previous year Rs.7,82,28,680/-) and Market Value thereof Rs.8,88,18,549/- (Previous year Rs.28,60,27,604/-)
- Aggregate cost of unquoted Investment in shares /units Rs. 20,00,000/- (Previous year Rs30,00,000/-)
- Market value of Investments listed but not quoted have taken cost.

	Current Year		Previous Year	
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
4. Addition to Investments during the year:-				
— HDFC Cash Management - Saving Plan (Daily Dividend)	2375408	25265791	5893135	62681736
— Contribution to Parsvnath Developers (AOP)		43125000	0	137564487
— Parsvnath Developers Limited	NIL	NIL	50757	16154830
— ITC Limited	NIL	NIL	50000	8079640
— Greaves Cotton Limited	NIL	NIL	137155	44016469
5. Investment sold/redeemed during the year:-				
— Jai Prakash Associates Ltd.	255000	57079096	232298	175791619
— HDFC Cash Management - Saving Plan(Daily Dividend)	2375408	25265791	5893135	62681736
— Parsvnath Developers Limited	NIL	NIL	50757	16235360
— Greaves Cotton Limited	NIL	NIL	75761	29281076
— ITC Limited	NIL	NIL	50000	8400042
— Taurus Mutual Fund- Bonanza Growth	NIL	NIL	166602	5607112
— CHL (South) Hotels Ltd.	100000	1000000	NIL	NIL

(*) Listed but not quoted, a company under the same management



SCHEDULE '6' : CURRENT ASSETS, LOANS AND ADVANCES

Particulars	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
A. CURRENT ASSETS		
(i) Inventories		
— Completed Construction	226865373	238697832
— Work in Progress	2437500	—
Total-(i)	229302873	238697832
(ii) Cash & Bank Balances		
— Cash in Hand	2572305	1079846
— Balance with Schedule Banks :-		
In Current Accounts	3753614	3081199
In Dividend Accounts	3162897	2138463
— FDRs with Bank	7567638	4400000
— Interest accrued on FDR	415290	263849
Total-(ii)	17471744	10963357
Total (A)	246774617	249661189
B. LOANS & ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	17869752	104305322
Security Deposits with Govt Departments & Others	194200	536550
Income Tax and Property Tax paid	10489909	16059220
Total - B	28553861	120901092
Grand Total (A + B)	275328478	370562281

SCHEDULE '7' : CURRENT LIABILITIES & PROVISIONS

Particulars	As at 31.03.2009	As at 31.03.2008
A. CURRENT LIABILITIES		
Sundry Creditors *	18153683	1385954
Advances from Customers	73852631	336676619
Security Deposits	102331480	95910929
Unclaimed Dividend **	3162897	2138463
Other Liabilities	6565148	1323350
Interest accrued but not due	25831114	30449316
Total - A	229896953	467884631
B. PROVISIONS		
For Income Tax	2000000	1550000
For Fringe Benefit Tax	325000	170000
For Proposed Dividend	12042292	12042215
For Dividend Tax	2046588	2046574
For Gratuity	98516	64222
For Leave Encashment	260039	193371
Total - B	34772435	30016382
Total (A + B)	264669388	497901013

SCHEDULE '8' : INCREASE (-)/DECREASE(+) IN STOCK/WIP

Opening Stock	238697832	238697832
Add : Addition during the Year	16751500	0
	255449332	238697832
Less : Closing Stock	229302873	238697832
	26146459	0

SCHEDULE '9' : ADMINISTRATIVE AND OTHER EXPENSES

Facility Management Services	2680311	2518526
Salaries and Benefits	5449054	4383488
Contribution to Provident and other funds	265161	231505
Remuneration to Executive Director	1429397	2208000
Legal & Professional	1285041	2035726
Postage	955769	1646291
Telephone	633882	455763
Commission/Brokerage	2960104	0
Printing & Stationery	450301	441350
Conveyance & Travelling	1175886	815334
Staff Welfare	138038	108859
Depository and Custodial	26059	108288
Repair & Maintenance :		
To buildings	268856	290877
To others	2199931	1968328
Electricity, Water and Generator Running	2091823	2748938
Books, periodicals & Journals	117367	144402
Advertisement	91881	93247
Listing Fee	30000	30000
Insurance	36161	46606
Sitting Fees	378000	438500
Miscellaneous	624616	73718
Vehicle Running & Maintenance	530437	446741

Particulars	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
Auditors' Remuneration	59000	64166
Property Tax	180955	177818
Interest & Finance Charges :		
On Overdraft Facility from Bank	1448286	0
On Vehical Loan from Bank	24977	19898
	1473263	19898
	25531293	21496369

SCHEDULE '10' : SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March, 2009.

A. System of Accounting:-

- (i) The Company follows the accrual system of accounting except :
 - (a) in case of interest on allotment/call money in arrears on shares and debentures which are accounted as and when received and
 - (b) Interest on delayed payment by customers against dues will be accounted for on cash basis owing to practical difficulties and uncertainties.
- (ii) Assets and Liabilities are recorded at historical cost.
- (iii) USE OF ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

B. Revenue Recognition :-

- (i) In respect of Real Estate Projects undertaken upto 31.03.2005, the company continues to follow the complete project method of accounting for projects. Under this method, revenue is recognised only when project is completed or substantially completed, that is only minor work is expected other than warranty work. Cost and progress payments received are accumulated during the course of the project but revenue is not recognised until the project activity is substantially completed. The liquidated damages and other claims by customers are accounted for on final settlement. The construction and development cost relating to the sold units are considered for profit based on technical evaluation of cost for completion.
- (ii) In respect of Real Estate Projects undertaken w.e.f. 1st April, 2005, the revenue is recognised on Percentage of Completion Method. The revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the projects under execution subject to such actual cost being 30% or more of the total estimated cost. The estimates relating to saleable area, sale value and costs are revised periodically by the management.
- (iii) In the case of projects relating to development and sale of plots and transfer/sale of right, revenue is recognised on execution of transfer documents/possession documents.
- (iv) Income from services is accounted for on the basis of the bills raised on customers.
- (v) The rentals from leased premises are considered as revenue income on accrual basis. In case of sale of leased premises, rental income is accounted for up to the date of flat buyer agreement. The advance rent, if any, received from the lessees pertaining to the period after the date of flat buyer agreement is refundable to the buyer.

C. Fixed Assets :-

Fixed Assets are stated at cost less depreciation.

D. Depreciation :-

Depreciation is provided on Straight Line Method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

E. Inventories :-

Inventories are valued at lower of cost or fair market value/ net realisable value.

F. Investments :-

Investments (Long-Term) are valued at cost less permanent diminution, if any. Investments (Current) are valued at lower of cost or fair market value.

G. EMPLOYEE BENEFITS :- Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under :-

- a) Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.
- b) Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account.
- c) Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.
- d) Termination benefits are recognized as an Expense as and when incurred.
- e) The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

H. Taxation :-

Tax expenses for the year comprises of current tax, deferred tax charge or credit and fringe benefit tax. The deferred tax asset and deferred tax liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised, only if there is a virtual certainty of its realisation. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Deferred tax assets /liabilities are reviewed at each balance sheet date based on developments during the year, further future expectations and available case laws to reassess realisation/liabilities.

I. Impairment of Fixed Assets :

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is



recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

J. Contingencies :

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

K. Borrowing Costs :-

Interest and other borrowing costs on specific borrowings attributable to qualifying assets are capitalised. Other borrowing costs are charged to revenue over the tenure of loan.

L. Foreign Currency transactions :-

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences on traction of monetary assets and liabilities and realised gain and losses on foreign currency transactions are recognised in the Profit and Loss account.

SCHEDULE '11' : NOTES ON ACCOUNTS

Annexed to and forming part of the Statement of Accounts for the year ended 31st March, 2009

1. a(i) Estimated amount of contracts remaining to the executed on Capital account (net of advances) Rs.1,19,32,800/- (Previous period Rs.1,19,32,800).
Advance recoverable includes a sum of Rs.22,00,000/- paid to various vendors towards booking of flats in Prem Dohi Sadan, Rajendra Place, New Delhi by HB Stockholdings Ltd. (previously known as HB Portfolio Leasing Ltd.) in 1994. On Default by the vendors to hand over Possession of the flats on the agreed terms, Legal Proceedings (Civil Suits) were initiated by HB Stockholdings Ltd. (HBSL) against the vendors in appropriate court of law for specific performance of the agreement. Vide its order dated 30-05-2007, the Court decreed the civil suits in favour of HBSL and against the vendors by granting monetary compensation @ Rs.3,00,000/- along with interest @ 9% p.a. w.e.f. 22/06/1999. HBSL has preferred an Appeal against the said order in the Delhi High Court for specific performance. Appeals have also been filed by the opposite party. The proceedings in the High Court are continuing.
In the year 1997 HBSL was trifurcated under a Scheme of Arrangement sanctioned by the Delhi High Court whereby the Real Estate Division of the said HBSL was allocated to the company. The aforesaid amount of Rs.22,00,000/- form a part of the assets of the said Real Estate Division and thus became property of the company. As per the terms of purchase agreement entered into with the vendors by HBSL a sum of Rs.1,19,32,800/- is payable by HBSL to the vendors on handing over possession of the said flats. The company will acquire ownership of the flats under the Scheme of Arrangement sanctioned by the Delhi High Court and thus the liability of payment of Rs.1,19,32,800/-shall devolve on the company as and when the decision is given by the court in favour of HB Stockholdings Ltd.
- (ii) Other estimated amount of contracts remaining to the executed on Capital account (net of advances)Rs.16,54,45,848/- (Previous year Rs. Nil)
- b) During the earlier year, the company had been allotted land by Haryana Urban Development Authority (HUDA) for building of Hotel. The price of the plot of land is Rs. 137.84 crores. Up to the year end, the company has paid Rs.86.15 crores (previous year Rs.60.30 crores). Balance Rs.51.69 crores (previous year Rs.77.54 crores) is payable by the company in remaining four equal half yearly instalments. Further interest @ 9% is payable on pro-rata basis on the above amount of Rs.51.69 crores (previous year Rs.77.54 crores).
2. (a) Contingent liability in respect of property tax - Rs.78,21,151/- (Previous year 78,21,151/-).
The total demand raised by MCD was Rs.83,85,604/- (Previous Year Rs.83,85,604/-) . Against this, the company deposited the admitted liability of Rs.5,64,453/- (Previous Year Rs.5,64,453/-). For the balance amount of Rs.78,21,151/- the company had filed a Writ Petition before the Hon'ble Delhi High Court.
The company had also filed a stay petition before the Hon'ble High Court praying for stay for the payment of aforesaid amount of Rs.78,21,151/-. As per direction of Hon'ble Court the company has paid a sum of Rs.10,18,477/-against the aforesaid demand and for the balance amount the company had been granted stay. The Hon'ble High Court directed MCD to re-compute the tax. In the opinion of management the demand raised by MCD is not sustainable and no further liability will arise and therefore the aforesaid amount of Rs.10,18,477/- paid by the company is being shown as recoverable in the Balance Sheet under the head Loan & Advances.
- (b) Contingent liability in respect of income tax demand for which appeal has been preferred by the company- Rs. 19,49,550/-(previous year Nil).
3. The company had received a show cause notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of Rs. 25868220/- (Excluding undetermined interest) on account of ground rent in respect of its property at Plot No. A-2, 3 & 4 in District Centre, Wazirpur, Delhi upto the period 14th July, 2006. Aggrieved by show cause notice issued by DDA, the company filed a writ petition in the Hon'ble High Court of Delhi Challenging the aforesaid demand. The Hon'ble High Court, vide its order dated 4th December, 2006 set-aside the matter to DDA for reconsideration. The matter is still pending with DDA. In the opinion of management, the demand raised by DDA is not sustainable and no ground rent is payable by company and hence no provision is required to be made in the accounts. In any eventuality, the liability, if any, that may arise, will be ascertained only after disposal of matter by DDA and therefore any provision is neither considered necessary nor it is ascertainable at this stage.

4. One party has filed compensation application before MRTPT Commission praying either for allotment of booked flats or refund of booking amount paid by them Rs.13,44,000/- (Previous year Rs.13,44,000/-) along with interest @ 24% p.a. and compensation/damages. The company has contested the same and the proceedings are continuing.
5. In the opinion of the management, the company during the year was mainly engaged in the business of real estate developments and all activities of the company revolve around the main business and therefore there are no separate reportable segments as per Accounting Standard "Segment Reporting" (AS-17). The construction work in respect of company's Hotel project at Gurgaon commenced during the year. There are no revenue during the year pertaining to Hotel project. Sum of Rs. 127,13,94,896/- (previous year Rs.70,90,15,317/-) has been incurred upto the year end for hotel project which has been shown in the Balance Sheet under the head Capital Work in Progress.
6. Capital work in progress consists of:- (in Rs.)

Discriptions	Current year	Previous year
Payment for land to HUDA	86,14,95,360	60,30,46,752
Interest & Finance Charges	17,43,01,942	9,20,77,690
Material & Labour	18,03,73,999	6,10,989
Salary & Benefits	37,22,596	Nil
Professional & Technical Fees	4,53,85,757	1,20,11,159
Travelling & Conveyance	51,09,703	10,77,929
Others	10,05,539	1,90,798
Total	127,13,94,896	70,90,15,317

7. Disclosure of related party transaction in accordance with Accounting Standard (AS-18) 'Related Party Disclosures' is annexed.
8. Earning per share: (in Rs.)

Particulars	Current year	Previous year
Net profit available for equity shareholder	149636499	149181850
Basic Earning Per Share (face value of Rs.10 each)		
Weighted Average Nos. of Equity Share Outstanding	12042292	12042215
Earning per share (Rs.)	12.43	12.39
Diluted Earning per share (Face Value of Rs.10/- each.)		
Weighted Average Nos. of Equity Share Outstanding	12042292	12373075
Earning per share (Rs.)	12.43	12.06

9. In the opinion of the management, current assets, loans and advances are approximately of the value stated, if realised, in the ordinary course of the business.
10. **Deferred Tax Asset / Liability (net) consists of following :** (in Rs.)

	As on 31/03/2009	As on 31/03/2008
Deferred Tax Liability	Nil	Nil
Fixed Assets		
Deferred Tax Assets		
Fixed Assets	211296	240470
Expenses allowable on payment basis under Income Tax Act,1961.	121873	87556
Net Deferred Tax Assets (Liability)	333169	328026

11. **Auditors Remuneration consists of :** (in Rs.)

	Current year	Previous year
— Audit Fees	25000	25000
— Tax Audit Fees	15000	15000
— Certification & Others	19000	24166
Total	59000	64166

12. Dividend Income includes Rs.2,65,791/-(Previous Year Rs. 1,83,505/-) on Current Investments and Rs.10,20,351/- (previous year Rs.20,20,285/-) on Long Term Investments. Tax deducted at source on dividend Rs. Nil (Previous year Rs. Nil). Out of Dividend income Rs.6,33,346/- (Previous year Rs.12,76,247/-) is on Trade Investments and Rs.6,52,796/- (Previous Year Rs. 9,27,543/-) is on Non-Trade Investments.
13. Profit on Sale of Investments consist of Rs4,68,60,701/- (Previous year Rs. 13,86,23,856/-) on Long Term Investments and Rs.Nil (Previous year Rs.4,82,422/-) on Current Investments. Profit of Rs.4,68,60,701/- (Previous year Rs.13,33,35,977/-) is on Trade Investments and Rs Nil (Previous year Rs. 57,70,301/-) is on Non-Trade Investments.
14. Tax deducted at source on lease rentals including advance lease rentals Rs.82,31,528/- (Previous Year Rs. 45,69,022/-) and Rs.1,34,673/- (Previous year Rs.68,454/-) on interest on FDR with bank.
15. (a) To the extent information available with the company, Sundry Creditors include Rs nil, (Previous year Nil) due to Small Scale Industrial Undertaking.
(b) The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent information available with the company, the company does not owe any sum including interest required to be disclosed under the said Act.
16. Other Income includes Rs. 6,53,752/- (Previous Year Rs.3,34,296/-) interest income on FDR with Bank, Rs Nil (Previous year Rs.2,92,791/-) interest on allotment money received and Rs.2,26,009/- Nil (Previous year Rs.Nil/-) on Income Tax Refund.



17. a) The Company had entered into an agreement with a party namely M/s Parsvnath Developers Ltd. for undertaking Real Estate development projects. The agreement had been made by way of Association of Persons (AOP) under the name and style of " Parsvnath Developers (AOP)". Under the Agreement, the said AOP has taken up a real estate project at Mohali. The company has to contribute/invest 57.50% as its share of Investments in the Project. Upto the year end, the company has invested / contributed Rs. 31,49,61,107/- (previous year Rs.27,18,36,107/-) for the project. The Company has 50% share in Profit /Loss of the project.
- b) The company's share of loss amounting to Rs.41,96,494/- (Profit in previous year Rs. 2,90,28,172/-) (net of taxes) from the aforesaid AOP is based on separate audited statement of accounts of AOP. The brief breakup of share of profit/(loss) is as under:-

Particulars	Current year (Rs.)	Previous year (Rs.)
Turnover	(7243139)	78358931
Expenses	(3069005)	34103119
Profit/(Loss) before tax	(4174134)	44255812
Provision for tax	22361	15227640
Profit/(Loss) after tax	(4196495)	29028172

- c) Brief Particulars of companies share/interest in Assets and Liabilities of AOP are as under:-

Particulars	Current year (Rs.)	Previous year (Rs.)
Assets	454640941	408532713
Liabilities	115042853	107863130
Capital Commitment	Nil	Nil
Contingent Liabilities	Nil	Nil

18. Executive Director's remuneration include:- (in Rs.)

Particulars	Current year (Rs.)	Previous year (Rs.)
Salary	8,40,000	14,40,000
House Rent Allowance	3,36,000	5,76,000
Medical	42,000	72,000
LTA	98,959	1,20,000
Leave Encashment	1,12,438	Nil
Total	14,29,397	22,08,000

19. (a) Expenditure in foreign currency:
 — Travelling Rs. 20,31,392/-(previous year Rs.5,41,253/-)
 — Professional & Technical Fees Rs. 2,42,55,920/- (previous year Rs.57,73,349/-)
- (b) Remittance of dividend in foreign currency- Rs. Nil(previous year Rs. Nil)

20. Disclosure pursuant to Accounting Standard - 15

- a) The company has adjusted Rs.12,667/-(Previous Year Rs.14,582/-) -net of deferred tax of Rs.6,523/-(previous year Rs.7,507/-) towards the transitional effect of defined benefit obligation in respect of employee benefits up to the previous year to the opening balance of General Reserve.

b) Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under :-

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	1,46,752/-	1,31,844/-	contribution to Provident und & other fund.

c) Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as on 01.04.08 (A)	212487	151797	193371	78325
Adjustment for increase (decrease) in opening obligation (B)	19190	(27257)	Nil	5168
Interest Cost (C)	18534	9963	15470	6679
Current service cost (D)	129765	75300	160242	124926
Benefits paid (E)	Nil	19212	134977	14677
Actuarial loss/(gain) on obligation (F)	(17563)	21896	25933	(7050)
Present value of obligations as on 31.03.2009 (G=A+B+C+D-E+F)	362413	212487	260039	193371

- d) The amounts recognized in the balance sheet and Profit & loss account are as follows :

Particulars	Gratuity (Funded)		Leave (unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	362413	212487	260039	193371
Estimated fair value of plan assets (B)	263897	148265	Nil	Nil
Net Liability (C=A-B)	98516	64222	260039	193371

Amounts in the Balance Sheet

Liabilities	98516	64222	260039	193371
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Amount charged to Profit & Loss Account

Current Service Cost	129765	75300	160242	124926
Interest Cost	18534	9963	15470	6679
Expected Return on Plan Asset	(16327)	(13206)	Nil	Nil
Actuarial(Gain)/Loss	(17563)	22404	25933	(7050)
	114409	94461	201645	124555

Head under which shown in the Profit & Loss account	Contribution to Provident Fund and other Funds	Salary & benefits Rs.89,207/- (previous year Rs.124555/-) and Executive Director's remuneration Rs.112438-(previous year Rs. Nil).
---	--	--

- e) The Actual Return on Plan Assets is as follows :

Sr.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Actual return on plan assets	16327	12698/-

- f) Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	8%	8%
Expected Rate of Return on Plan Assets	9%	8.5%
Salary Escalation Rate	5%	5%

- g) A reconciliation of the opening and closing balances of the fair value of plan assets :

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Opening Fair Value of Plan Assets	148265	151797
ii)	Expected Return on Plan Assets	16327	13206
iii)	Actuarial Gains / (Losses)	Nil	(508)
iv)	Contribution by the Employer	99305	2982
	Benefits Paid	Nil	19212
	Closing Fair Value of Plan Assets	263897	148265

21. In the opinion of management no provision is required to be made for diminution amounting to Rs.1,91,17,745/-(previous year Rs.85,32,363/-) in the value of some of the long term investments as the same is considered to be temporary.
22. During the Previous year the company had forfeited 8,29,415 number of partly paid up equity shares (of the face value of Rs.10/- each) on which allotment money/calls were overdue out of which forfeiture for 77 shares was annulled during the year.
23. The nature of activities of Company is such that quantitative information regarding inventories can not be given.
24. Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956 is annexed.
25. Previous year figures have been re-grouped / re-arranged wherever considered necessary.
26. Schedule 1 to 11 form an integral part of the accounts.

As per our report of even date attached herewith

For P. Bholusaria & Co.

Chartered Accountants

Amit Goel

Partner

Place : Gurgaon

Date : 11.05.2009

For and on behalf of the Board

of Directors

Anil Goyal

Director

Manish Chandak

Authorised Signatory

ANNEXURE TO NOTE NO. 7 OF SCHEDULE '11' TO THE ACCOUNTS RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT AND RELIED UPON BY AUDITORS)

As per Accounting Standard (AS-18) on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below :-

1. List of Related parties with whom transactions have taken place and relationship :

- (a) Key Managerial Personnel
 (i) V. Shankar
 (ii) Puneet Nikore (left on 31.10.2008)
- (b) Person having significant influence/control/major shareholders
 (i) Sh. H.C. Bhasin
 (ii) Sh. Lalit Bhasin

- (c) Enterprises over which significant influence/control exist of the relatives of persons mentioned in (b) above
 (i) RRB Master Securities Delhi Ltd.

- (d) Enterprises under direct or indirect common control/significant influence

- (i) HB Stockholdings Ltd.
 (ii) HB Portfolio Ltd.
 (iii) HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)
 (iv) HB Leasing & Finance Co Ltd.
 (v) RRB Securities Ltd.
 (vi) RRB Masterholdings Ltd. (Subsidiary of RRB Securities Ltd.)
- (e) Enterprises under control/Joint ventures
 (i) Parsvnath Developers (AOP)



2. Transactions during the year with related party.

Nature of Transaction	Referred to in (a) above	Referred to in (b) above	Referred to in (c) above	Referred to in (d) above	Referred to in (e) above
Remuneration & other services	2,467,969	—	—	—	—
Sitting Fee	(3,051,600)	—	—	—	—
Contribution/Investment made for the Project	—	50,000	—	—	—
Share of Profit/(Loss)	—	(60,000)	—	—	43,125,000
Rent Received	—	—	—	—	(108,731,012)
Security deposit received for Building	—	—	569,940	2,153,040	(4,196,495)
Purchase of Investment through them	—	—	(569,940)	(2,153,040)	(28,811,115)
Sale of Investment through them	—	—	—	(86,200,000)	—
DP Charges paid	—	—	(53,499,023)	—	—
Dividend paid	—	—	46,257,669	—	—
Dividend received	—	—	(215,438,591)	—	—
Reimbursement of Expenses	—	—	—	6,226	—
Loan taken	—	—	—	(86,148)	—
Repayment of Loan	—	—	—	184,160	—
Interest paid on Loan	—	6,469,309	—	(184,160)	—
Maximum Security Margin/advances (Net) given and received during the year	—	(6,469,309)	—	129,150	—
Outstanding in respect of Loan including interest accrued as on 31.03.2009	—	—	—	(129,150)	—
Outstanding payable in respect of security deposit received	—	—	—	378,900	—
	—	—	—	(1,148,700)	—
	—	—	—	(170,000,000)	—
	—	—	—	(80,000,000)	—
	—	—	—	10,800,001	—
	—	—	—	(11,262,779)	—
	—	—	—	Nil	—
	—	—	—	Nil	—
	—	—	—	92,059,575	—
	—	—	—	(92,076,769)	—
	—	—	142,485	86,200,000	—
	—	—	(142,485)	(86,200,000)	—

**ANNEXURE REFERRED TO IN NOTE NO. 24 OF SCHEDULE 11 TO THE NOTES TO THE ACCOUNTS
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART(IV) OF THE COMPANIES ACT, 1956**

1. Registration Details	
Registration No.	34146
State Code	05
Balance Sheet Date	31.03.2009
2. Capital Raised During the Year	(Amount in Rs.Thousands)
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
3. Position of Mobilisation and Deployment of Funds	(Amount in Rs.)
Total Liabilities	1700492
Total Assets	1700492
<u>Sources of Funds</u>	
Paid - up Capital	123160
Reserve & Surplus	889954
Secured Loans	163
Unsecured Loans	687215
<u>Application of Funds</u>	
Net Fixed Assets	1279892
Investments	409608
Net Current Assets	10659
Deferred Tax Assets	333
4. Performance of Company	(Amount in Rs.Thousands)
Turnover	223020
Total Expenditure	52994
Profit Before Tax +/-	170026
Profit after Tax +/-	149637
Dividend Rate	10%
Earning per Share (in Rs.)	
— Basic	12.43
— Diluted	12.43
5. Generic names of principal Products/Services of Company(as per monetary terms)	
Item Code	N.A
Product Description	Real Estate

P. Bholusaria & Co. For and on behalf of the Board
Chartered Accountants Board of Directors
Amit Goel Manish Chandak Anil Goyal Lalit Bhasin
Partner Authorised Signatory Director Chairman
Place : Gurgaon
Date : 11.05.2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Current Year (Rs. in '000)	Previous Year (Rs. in '000)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extraordinary items	170026	16511
Adjustment for :		
Depreciation	1316	2713
Prior Period Adjustment	0	(195)
Interest/Dividend Received	(2166)	(2831)
Interest Paid	1473	20
Preliminary Expenses W/off		
(Gain)/Loss on Sale of Long Term Investments	(46861)	(139106)
Transitional Effect	(19)	
Provision for Gratuity & Leave	101	201
Operating Profit before Working Capital Changes	123871	25913
Adjustments for :		
Trade and other receivables	92347	(57401)
Inventories	9395	
Trade Payables	(237988)	306723
Overdraft from Bank	247215	
Cash generated from operations	234840	275235
Interest paid	(1473)	(20)
Cash Flow before extraordinary items	233367	275215
Extraordinary items		
Direct Tax Paid	(15733)	(14707)
Net Cash from operating activities (A)	217634	260508
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in progress	(562380)	(363241)
Purchase of Fixed Assets	(5865)	(3735)
Purchase of Investments	(64194)	(268497)
Sale of Investments	83345	297997
Interest Received	880	627
Dividend Received	1286	2204
Dividend Paid	(12042)	(11996)
Tax on Dividend	(2047)	(2093)
Net Cash received in Investing activities (B)	(561017)	(348734)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital and Share Premium (Allotment Money)	0	159
Proceeds from Long Term Borrowings	349892	90271
Payment for Preliminary Expenses	0	0
Net Cash used in Financing Activities (C)	349892	90430
Net increase in Cash and Cash equivalents (A+B+C)	6509	2204
CASH & CASH EQUIVALENTS AS ON 1.04.2008 (OPENING BALANCE)	10963	8759
CASH & CASH EQUIVALENTS AS ON 31.03.2009 (CLOSING BALANCE)	17472	10963

P. Bholusaria & Co. For and on behalf of the Board
Chartered Accountants Board of Directors
Amit Goel Manish Chandak Anil Goyal Lalit Bhasin
Partner Authorised Signatory Director Chairman
Place : Gurgaon
Date : 11.05.2009

Folio No.

(To be filled in by the Shareholder)

No. of Shares



HB ESTATE DEVELOPERS LIMITED

PROXY FORM

I/We

of.....

being a member(s) of **HB ESTATE DEVELOPERS LIMITED**, hereby appoint.....

.....

of or failing

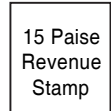
him/her of

as my/our proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on Wednesday, 12th day of August, 2009 and at any adjournment thereof. As witness my hand/our hands this day of 2009.

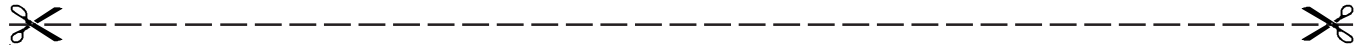
DP - Id :

Client - Id :

Signed by the Said :



NOTE : The proxy must be deposited at the Registered Office of the Company at Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon - 122 001 not less than 48 hours before the time of holding the Meeting.



HB ESTATE DEVELOPERS LIMITED

ATTENDANCE SLIP

15TH ANNUAL GENERAL MEETING

Time : 10.30 A.M., Wednesday, 12th day of August, 2009

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

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name

Address in full.....

FULL NAME(S) OF THE PERSON ATTENDING THE MEETING AS A PROXY/SHAREHOLDER(S)

.....

I/We hereby record my/our presence at the 15th Annual General Meeting held on 12th August, 2009 at 10.30 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana.

Folio No./DP - Id: No. of Shares :

Client - Id :

Signature(s).....

Members may please note that the Auditorium Authorities do not permit carrying of bags/articles/snack packets etc. inside the meeting hall. The Company will not make any arrangements for safe keeping of articles etc. outside the Hall. Members may make their own arrangements which shall be solely at their risk and cost and the Company will in no way be responsible for any loss/theft of articles etc.

BOOK POST

If Undelivered please return to :-



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

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