



# HB ESTATE DEVELOPERS LTD.

Regd. Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram -122001 (Haryana)  
Ph.:0124-4675500, Fax:0124-4370985, E-mail:corporate@hbestate.com  
Website : www.hbestate.com, CIN : L99999HR1994PLC034146

August 14, 2019

Listing Centre

The Listing Department  
Bombay Stock Exchange Limited,  
Pheroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai - 400 001

Company Code: 532334  
Sub: - Submission of 25<sup>th</sup> Annual Report (2018 – 2019)

Dear Sir / Madam,

In due compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report 2018-19 (both full and Abridged) along with the Notice of the AGM being dispatched to the Shareholders of the Company in the manner prescribed under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual Report (both full and Abridged) along with the Notice of the AGM has also been uploaded on the Company's website, [www.hbestate.com](http://www.hbestate.com).

You are requested to take the above information on record.

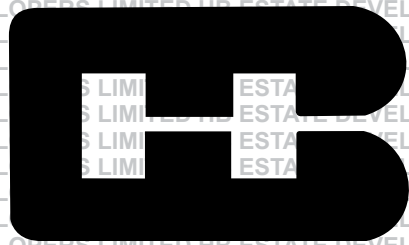
Thanking you,  
Yours Faithfully,  
For HB ESTATE DEVELOPERS LIMITED

*Radhika*

**RADHIKA KHURANA**  
(Company Secretary & Compliance Officer)

Encl: As above

25th  
Annual Report  
2018 - 19



**HB ESTATE DEVELOPERS LIMITED**



Company's Hotel Project- **"TAJ CITY CENTRE - GURUGRAM"** located at Plot No. 1, Sector 44, Gurugram, Haryana



**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Mrs. Radhika Khurana

**CHIEF FINANCIAL OFFICER (CFO)**

Mr. Praveen Gupta

**MANAGER**

Mrs. Banmala Jha

**STATUTORY AUDITORS**

**G. C. Aggarwal & Associates**

Chartered Accountants

240, Ghalib Apartments

Parwana Road, Pitampura,

Delhi - 110 034

**REGISTERED OFFICE**

Plot No. 31, Echelon Institutional Area,

Sector-32, Gurugram - 122 001, Haryana

Ph : 0124-4675500, Fax : 0124-4370985

Email : corporate@hbestate.com

CIN: L99999HR1994PLC034146

**WEBSITE**

<http://www.hbestate.com>

**REGISTRAR & SHARE TRANSFER AGENT**

**RCMC Share Registry Pvt. Ltd.**

**CIN: U67120DL1950PTC601854**

B-25/1, First Floor

Okhla Industrial Area Phase-II

New Delhi - 110020

Ph : 011-26387320, 26387321

Fax : 011-26387322

E-mail: investor.services@rcmcdelhi.com

Website: www.rcmcdelhi.com

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 25<sup>TH</sup> ANNUAL GENERAL MEETING OF HB ESTATE DEVELOPERS LIMITED WILL BE HELD AS FOLLOWS:**

(Note: The Company is providing facility for voting by electronic means and the business of this meeting may be transacted through electronic voting system.)

**Day : Thursday**

**Date : 19<sup>th</sup> September, 2019**

**Time : 11.00 A.M.**

**Place : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram (Haryana) - 122 001** to transact the following business/(s):

**ORDINARY BUSINESS:**

**1. ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON.**

To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2019, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

**2. APPOINTMENT OF MR. ANIL GOYAL (DIN: 00001938), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.**

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

“RESOLVED THAT pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company.”

**3. CONTINUATION OF THE APPOINTMENT OF 'G.C. AGARWAL & ASSOCIATES' CHARTERED ACCOUNTANTS (FRN 017851N), STATUTORY AUDITORS OF THE COMPANY:**

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

“RESOLVED THAT pursuant to the amended provisions of Section 139(1) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in partial modification of the resolution passed by the Members of the Company at the 23<sup>rd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2017, the Company hereby dispenses with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this Resolution.”

**SPECIAL BUSINESS:**

**4. APPOINTMENT OF MR. YASH KUMAR SEHGAL (DIN: 03641168) TO FILL THE CASUAL VACANCY.**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 161(4) and other applicable provisions, if any of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Mr. Yash Kumar Sehgal (DIN: 03641168) who has been appointed as Non-Executive Independent Director of the Company to fill the casual vacancy by the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 on the recommendation of the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby approved and he shall hold office up to the date the outgoing director would have held office.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**5. APPOINTMENT OF MRS. BANMALA JHA AS A MANAGER OF THE COMPANY**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 2(53), 196, 197, 198 and 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Banmala Jha, be and is hereby appointed as a Manager being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 27<sup>th</sup> May, 2019 to 26<sup>th</sup> May, 2022 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” with term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit.

RESOLVED FURTHER THAT subject to the provisions of Schedule V of the Companies Act, 2013, the said remuneration shall be payable as minimum remuneration comprising salary and other perquisites to the Manager in the event of absence/inadequacy of profits in any Financial Year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**6. RE-APPOINTMENT OF MRS. ASHA MEHRA (DIN: 02658967) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mrs. Asha Mehra (DIN: 02658967) who has already attained the age of seventy five years and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for second term of five (5) consecutive years with effect from 29<sup>th</sup> October 2019 to 28<sup>th</sup> October 2024 and she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**7. RE-APPOINTMENT OF MR. RAJESH JAIN (DIN: 00031590) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Rajesh Jain (DIN: 00031590) in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for second term of five (5) consecutive years with effect from 29<sup>th</sup> October 2019 to 28<sup>th</sup> October 2024 and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**8. CONTINUATION OF DIRECTORSHIP OF MR. JAG MOHAN LAL SURI (DIN: 00002373) NON-EXECUTIVE DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for continuation of Directorship of Mr. Jag Mohan Lal Suri (DIN: 00002373), who has already attained the age of seventy five years, as Non-Executive Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

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

**Sd/  
RADHIKA KHURANA  
(Company Secretary)**

**Place : Gurugram  
Date : 27<sup>th</sup> May, 2019**

**Membership No.: ACS-32557**

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**

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

**2. SHAREHOLDERS OF THE COMPANY HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONVERT THEIR HOLDING INTO DEMAT FORM.**

**3. SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO PROVIDE / UPDATE THEIR E-MAIL ID WITH THEIR DEPOSITORY PARTICIPANT (DP) / COMPANY'S REGISTRAR & SHARE TRANSFER AGENT (RTA), RCMC SHARE REGISTRY PRIVATE LIMITED FOR COMMUNICATION PURPOSES.**

**4. An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and forms part of this Notice.**

**5. The Register of Members and Share Transfer Books of the Company shall remain closed from 13<sup>th</sup> September, 2019 to 19<sup>th</sup> September, 2019 (Both days inclusive).**



6. The Ministry of Corporate Affairs (MCA) has notified provisions relating to Unpaid / Unclaimed Dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 11,33,210/- (Rupees Eleven Lacs Thirty Three Thousand Two Hundred and Ten Only) to IEPF on 10<sup>th</sup> October, 2018 being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31st March, 2011. The detail of Unpaid / Unclaimed Dividend lying with the Company as on the date of the last Annual General Meeting in respect of the financial years from 2012 to 2013 is available on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and also on the website of the Company; [http://www.hbestate.com/Investor%20Information/Unpaid%20Dividend/index\\_2018.html](http://www.hbestate.com/Investor%20Information/Unpaid%20Dividend/index_2018.html)

The Company strongly recommends Shareholders to encash / claim their respective dividends within the period given below from the Company's Registrar and Share Transfer Agent:

Financial Year	Last Date for claiming Dividend	Unclaimed Dividend in ₹ (As on 31.03.2019)
2011-12	15 <sup>th</sup> October, 2019	12,37,271.00
2012-13	26 <sup>th</sup> December, 2022	8,94,887.50

Note: No Dividend has been declared by the Company after FY 2012-13.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules thereto, the Company has duly transferred all Equity Shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more to the specified DEMAT Account of the Investor Education and Protection Fund (IEPF) Authority, Ministry of Corporate Affairs after giving individual notice to all such Equity Shareholders and publication of newspaper advertisement thereto. The complete details of such Equity Shares transferred to IEPF Account is available on the website of the Company; <http://www.hbestate.com/Investor%20Information/transfer-of-equity/index.htm>

Any further Dividend on such Equity Shares shall be credited to the IEPF Account. The Equity Shareholders may claim back their Shares along with the Unclaimed Dividend amount from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority; [iepf.gov.in/IEPFA/refund](http://www.iepf.gov.in/IEPFA/refund). The refund procedure is also available on the Company's website, <http://www.hbestate.com/Investor%20Information/transfer-of-equity/index.htm>

Mrs. Radhika Khurana, Company Secretary has been appointed as the Nodal Officer in terms of the provisions of IEPF Rules and complete details are available on the website of the Company; <http://www.hbestate.com/IEPF/index.html>

**7. THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) VIDE ITS CIRCULAR NO. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20TH APRIL, 2018 HAS DIRECTED ALL LISTED COMPANIES TO ENSURE THAT ANY PAYMENT OF DIVIDEND TO THE SHAREHOLDERS IS MADE THROUGH ELECTRONIC CHANNELS SUCH AS NECS/NEFT/RTGS. THE COMPANIES THROUGH THEIR REGISTRAR AND SHARE TRANSFER AGENTS (RTAS) ARE FURTHER DIRECTED TO COLLECT COPY OF PAN AND BANK ACCOUNT DETAILS OF ALL SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM. IN VIEW OF THE SAME,**

**(A) Members who hold shares in physical form are requested to:**

- Furnish their PAN and Bank Account details to the Company or Company's Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd. along with self-attested copy of PAN Card and cancelled "Name printed Cheque" in original or copy of Bank Passbook / Bank Statement duly attested by the Bank.
- Convert their holding into Demat Form.
- Provide / update their E-mail ID for communication purpose.

**(B) Members who hold shares in demat form are requested to:**

- Update their Bank Account details with the Depository Participant (DP) to avoid any kind of rejection by the banker; and
- Provide / update their e-mail ID with the Depository Participant (DP) for communication purpose.

**We wish to highlight the following benefits of receiving payments through the Electronic mode rather than receiving drafts / warrants in physical mode.**

- ✓ Ensures timely credit of funds to the specified accounts.
- ✓ Ensures credits are done seamlessly without manual intervention.
- ✓ Eliminates postal / mailing delays.
- ✓ Saves your effort of safekeeping and depositing of physical drafts / warrants at a bank.
- ✓ Helps track receipt of payments from the bank statements.

In compliance with the requirement of the said Circular, members holding securities in physical form were separately communicated by the Company's Registrar and Share Transfer Agent vide three letters at their registered address. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 01<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA for assistance in this regard.

- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Corporate Members are requested to send a duly Certified Copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven (7) days before the date of the meeting so as to enable the management to keep the information ready.

11. Route map showing directions to reach the venue of the AGM is given at the end of the Annual Report as per the requirement of the Secretarial Standard-2 (SS-2) on "General Meeting".

12. Members are requested to:

- Notify any change in their address including PIN CODE to the Registrar and Share Transfer Agent of the Company namely,  
**RCMC Share Registry Pvt. Ltd.**  
**B-25/1, First Floor,**  
**Okhla Industrial Area, Phase-II,**  
**New Delhi – 110 020**  
**Phone: 011 – 26387320, 26387321**  
**Fax: 011 – 26387322**  
**E-mail: investor.services@rcmcdelhi.com**
- Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.

13. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL / CDSL will be deemed to be your registered email address for serving Notices / Documents including those covered under Section 136 of the Companies Act, 2013.

Electronic copies of the Annual Report, Notice along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses are registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same.

In other cases, hard copy of the Abridged Annual Report i.e. Statement containing salient features of Balance Sheet and Profit & Loss Account including Notice, Attendance Slip and Proxy Form is being sent to the Members by the permitted mode. The members who are desirous of receiving the Full Annual Report may write to the Company's RTA for a copy of the same.

Members may note that Notice of the Annual General Meeting, Abridged Annual Report, Full Annual Report, Attendance Slip and Proxy Form are also available on the website of the Company, [www.hbestate.com](http://www.hbestate.com).

14. **Voting through electronic means:**

- In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- The Company has engaged the services of Karvy Fintech Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 12<sup>th</sup> September, 2019**, may cast their vote by remote e-voting / at the meeting.
- Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the cut-off date i.e. 12<sup>th</sup> September, 2019 may obtain the login Id and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- The Remote e-voting period shall commence on (Monday), 16<sup>th</sup> September, 2019 (09.00 A.M) and ends on (Wednesday), 18<sup>th</sup> September, 2019 (05.00 P.M).** Thereafter, the Remote e-voting module shall be disabled by Karvy for voting.
- Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by Remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- Mr. Arun Kumar Gupta, Company Secretary in Whole-time Practice (Membership No.: 21227, C.P. No. 8003) failing him Mr. Kapoor Chand Garg, Company Secretary in Whole-time Practice (Membership No.: 7145, C.P. No.:7829) have been appointed as the Scrutinizer(s) for conducting the remote e-voting & polling process in a fair and transparent manner.**
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- The Company shall submit to the Bombay Stock Exchange Limited (BSE), within forty eight hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, [www.hbestate.com](http://www.hbestate.com) and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.
- In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.



- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.
- **In case a Member receives notice through e-mail from Karvy [for Members whose e-mail IDs are registered with the Company / Depository Participants]:**
    - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
    - (b) Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - (c) After entering these details appropriately, click on "LOGIN".
    - (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character ( @, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - (e) You need to login again with the new credentials.
    - (f) On successful login, the system will prompt you to select the E-Voting Event Number for **HB Estate Developers Limited**.
    - (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
    - (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
  - (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
  - (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the **Scrutinizer at e-mail ID: aruncs.gupta@gmail.com** with a copy to **Karvy at e-mail ID: evoting@karvy.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
  - **In case a Member receives Notice in physical form [for Members whose e-mail IDs are not registered with the Company / Depository Participants]:**
    - (a) User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
    - (b) Please follow all steps given hereinabove, to cast your vote.
15. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
16. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.
17. Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India] are as under:

**PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT  
AT THIS ANNUAL GENERAL MEETING**

Name of the Director	(1) MR. ANIL GOYAL	(2) MR. YASH KUMAR SEHGAL
Directors Identification Number (DIN)	00001938	03641168
Date of Birth	22 <sup>nd</sup> February, 1959	10 <sup>th</sup> October, 1946
Date of First Appointment on the Board	20 <sup>th</sup> September, 1994	27 <sup>th</sup> May, 2019
Profile / Expertise in Specific functional Areas.	Mr. Anil Goyal is a fellow member of the Institute of Chartered Accountants of India. He brings with him more than three (3) decades of expertise in the fields of finance, taxation, investment banking, corporate restructuring and strategic planning.	Mr. Yash Kumar Sehgal has vast experience in the field of finance. He held various positions at Commercial Bank of Kuwait for more than two (2) decades. He has good expertise in framing policies and procedure for various services. He had also served as Acting Director, Administration & Finance, College of Banking & Finance, Muscat, Sultanate of Oman and also reported directly to the Governor of Central Bank of Oman.
Qualifications	B.Com, C.A.	Member of Chartered Institute of Bankers, London
List of Directorship in other Companies	<b>Listed Companies:</b> 1. HB Stockholdings Ltd. 2. HB Portfolio Ltd. 3. HB Leasing & Finance Co. Ltd. <b>Other Companies:</b> 4. HB Securities Ltd. 5. RRB Securities Ltd. 6. Mount Finance Ltd. 7. HB Corporate Services Ltd. 8. Bhasin Investments Ltd. 9. Taurus Investment Trust Company Ltd. 10. RRB House Finance Pvt. Ltd. 11. HB Financial Consultants Pvt. Ltd.	<b>Listed Companies:</b> 1. CHL Ltd. <b>Other Companies:</b> 2. Taurus Investment Trust Co. Ltd. 3. CHL (South) Hotels Ltd. 4. Malbros Holdings Private Limited 5. Mohan Rocky Spring Water Breweries Limited
Membership of Committee of the Board in other Companies.	<b>Audit Committee</b> 1. HB Stockholdings Ltd. (Member) <b>Stakeholders Relationship Committee</b> 2. HB Portfolio Ltd. (Member) 3. HB Leasing & Finance Co. Ltd. (Member) 4. RRB Securities Ltd. (Member) 5. HB Stockholdings Ltd. (Member) <b>Nomination and Remuneration Committee</b> 6. RRB Securities Ltd. (Member) <b>CSR Committee</b> 7. HB Stockholdings Ltd. (Member) 8. HB Portfolio Ltd. (Member)	<b>Audit Committee</b> 1. CHL Ltd. (Chairman) 2. CHL (South) Hotels Ltd. (Chairman) 3. Taurus Investment Co. Ltd. (Member) <b>Stakeholders Relationship Committee</b> 4. CHL Ltd. (Chairman) <b>Nomination and Remuneration Committee</b> 5. CHL Ltd. (Member) 6. CHL (South) Hotels Ltd. (Chairman) <b>CSR Committee</b> 7. CHL Ltd. (Chairman)
No. of Equity Shares held	NIL	NIL
No. of Board Meetings attended/entitled to attend during the year	4/4	N.A
Whether related to any Board Members, Manager or KMP of the Company	No	No



Name of the Director	(3) MRS. ASHA MEHRA	(4) MR. RAJESH JAIN
Directors Identification Number (DIN)	02658967	00031590
Date of Birth	08th August, 1940	24th February, 1956
Date of First Appointment on the Board	12th August, 2009	29th August, 2007
Profile / Expertise in Specific functional Areas.	She has held various prestigious positions with Government of India like Assistant/ Deputy Commissioner of Income Tax, Deputy Director, Income Tax, Commissioner of Income Tax, New Delhi, Chief Commissioner of Income Tax, Rajasthan, Member, Central Board of Direct Taxes (CBDT) etc.  She has also worked as Member and Chairperson of Income Tax Settlement Commission, Principal Bench, New Delhi.	Mr. Rajesh Jain has extensive experience as Entrepreneur in Construction, Exports and International Trading and Software Development Industry. Has more than a decade of overseeing various activities of construction Industry both in India and overseas.
Qualifications	Post Graduate, I.A.S	Graduate
List of Directorship in other Companies	<b>Listed Companies:</b> 1. HB Stockholdings Ltd.	<b>Other Companies:</b> 1. Trident Information Systems Pvt. Ltd. 2. Harmonics Intellect Pvt. Ltd. 3. Arvind Trading Pvt. Ltd. 4. Agarwal Garment Stitchers Pvt. Ltd. 5. BSP Constructions Pvt. Ltd.
Membership of Committee of the Board in other Companies.	<b>Nomination and Remuneration Committee</b> 1. HB Stockholdings Ltd. (Member)	None
No. of Equity Shares held	NIL	NIL
No. of Board Meetings attended/entitled to attend during the year	4/4	4/4
Whether related to any Board Members, Manager or KMP of the Company	No	No

Name of the Director	(5) MR. JAG MOHAN LAL SURI
Directors Identification Number (DIN)	00002373
Date of Birth	27 <sup>th</sup> April, 1938
Date of First Appointment on the Board	18 <sup>th</sup> August, 1994
Profile / Expertise in Specific functional Areas.	Mr. Jag Mohan Lal Suri is an Engineer by profession. He headed the operations of a Swedish Multinational before his association with the HB Group. He brings with him decades of long experience in Corporate Administration.
Qualifications	B.E
List of Directorship in other Companies	<b>Listed Companies:</b> 1. HB Portfolio Ltd. <b>Other Companies:</b> 2. HB Corporate Services Ltd. 3. RRB Securities Ltd. 4. Mount Finance Ltd. 5. AHL Hotels Limited 6. Bhasin Share & Stock Brokers Ltd. 7. Raja Ram Bhasin Share & Stock Brokers Ltd. 8. Pal Properties (India) Pvt. Ltd.
Membership of Committee of the Board in other Companies.	<b>Audit Committee</b> 1. RRB Securities Ltd. (Member) 2. HB Portfolio Ltd. (Member) <b>Stakeholders Relationship Committee</b> 3. RRB Securities Ltd. (Chairman) 4. HB Portfolio Ltd. (Chairman) <b>Corporate Social Responsibility Committee</b> 5. HB Portfolio Ltd. (Member) <b>Finance and Borrowings Committee</b> 6. HB Portfolio Ltd. (Member) <b>Finance and Borrowings Committee</b> 7. HB Portfolio Ltd. (Member)
No. of Equity Shares held	709 (Jointly held with his wife)
No. of Board Meetings attended/entitled to attend during the year	4/4
Whether related to any Board Members, Manager or KMP of the Company	No

BY ORDER OF THE BOARD  
For HB ESTATE DEVELOPERS LIMITED

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

Place : Gurugram  
Date : 27<sup>th</sup> May, 2019



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

**ITEM No. 4**

Pursuant to the provisions of Sections 161(4) and other applicable provisions, if any of the Companies Act, 2013 (‘the Act’) and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended, the Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 27th May, 2019 appointed Mr. Yash Kumar Sehgal (DIN: 03641168) aged 72 years as a Non-Executive Independent Director of the Company to fill the casual vacancy caused due to resignation of Mr. Luv Malhotra, Director of the Company, who shall hold office till 21st September, 2020 (the date the outgoing Director would have held office).

As per the provisions of Sec 161(4), if the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default be filled by the Board of Directors at the meeting of the Board, which shall be subsequently approved by the shareholders in the immediate next general meeting.

The Company has received requisite consent from him to act as Director of the Company and a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Yash Kumar Sehgal fulfills the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is Independent of the management. He is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for his appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company’s registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Yash Kumar Sehgal are given in Notes forming part of the Notice.

Except, Mr. Yash Kumar Sehgal and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set forth at Item No. 4 for the approval of the members.

**ITEM No. 5**

Mrs. Banmala Jha aged 61 years has done M.A. (English) and L.L.B. She has more than 20 years of rich experience in the legal field. She is associated with HB Group for more than 15 years in the Legal Department. Before joining HB Group, she was associated with Flex Group.

Pursuant to the provisions of Sec 203 of the Companies Act, 2013 read with applicable rules made thereunder, the Company is required to appoint a whole-time Key Managerial Personnel viz. Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director.

Considering her long term association, vast experience and valuable contribution in the Company and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 appointed Mrs. Banmala Jha as a Manager being the Key Managerial Personnel (KMP) of the Company for period of three (3) years with effect from 27<sup>th</sup> May, 2019 to 26<sup>th</sup> May, 2022 subject to the approval of the Shareholders of the Company on the terms and conditions as details herein below:

**a) BASIC SALARY**

Rs. 48,000/- (Rupees Forty Eight Thousand only) per month.

**b) HOUSE RENT ALLOWANCE**

Rs. 28,800/- (Rupees Twenty Eight Thousand Eight Hundred only) per month.

**c) MEDICAL**

Reimbursement of medical expenses (incurred for self and family) up to a maximum of Rs. 48,000/- (Rupees Forty Eight only) per annum.

**d) PROVIDENT FUND**

12% of basic salary shall be deducted towards contribution to Provident Fund. Company’s contribution towards Provident Fund shall be made as prescribed under the provisions of law applicable in this regard.

**e) LEAVE TRAVEL ASSISTANCE**

One Month basic salary as Leave Travel Assistance in a year when she proceeds on earned leave as per rules laid down.

**f) SPECIAL ALLOWANCE**

Rs. 21,500/- (Rupees Twenty One Thousand Five Hundred only) per month

**g)** She shall not receive any presents, commission, gifts, loans, advances or any sort of benefits in cash or in kind from any person, party or firm or Company having dealing or any connection with the Company and if she is offered the same, she shall immediately report the matter to the Company in writing and should he receive any offerings, he hereby undertake to hand over the same to the Company forthwith.

**h)** She shall devote her time and attention exclusively to the business and interests of the Company and shall not engage in any other commercial business or pursuit part-time or otherwise and shall not undertake part-time assignment or work on advisory capacity for any other person and/or concern either on her accord or as an agent for others except with prior consent in writing from the Company or unless she is deputed to do so by the Company.

- i)** She shall keep all information and secrets of the Company to herself and shall not disclose and use them for any other purpose. She shall undertake and agree that all property including all correspondence addressed to her or by her, specifications, vouchers, literatures, books, circulars, articles, goods etc. relating to the Company’s business which shall come into her possession in the course of her employment or otherwise shall be held by her as a trustee for the Company and shall deliver the same to the Company on demand without claiming any lien or right whatsoever thereon.
- j)** She shall be entitled to leaves in accordance with the policy of the Company. Leaves accumulated and not availed of, in excess of 90 days as at the end of every financial year shall be encashed yearly on the basis of basic salary drawn as at the end of the said financial year and the balance unencashed accumulated leaves may be encashed at the time of leaving the services of the Company.
- k)** Her services will be subject to all Rules and Regulations of the Company prescribed from time to time.
- l)** The appointment may be terminated by one month’s notice or in lieu thereof pay and allowances as admissible. She may also leave the services of the Company by giving one month notice or in lieu thereof pay and allowances as admissible.
- m)** If any declaration or information furnished by her found to be false or if she is found to have willfully suppressed any material information, she shall be terminated from the services of the Company without any notice.

The above remuneration shall be payable as minimum remuneration to her in the event of absence / inadequacy of profits in any financial year, subject to the overall ceilings laid down in Schedule V of the Companies Act, 2013.

Mrs. Banmala Jha satisfies all the conditions set out in Part-1 of Schedule V of the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for appointment.

**Additional disclosures mentioned in Para (B) (iv) of Section II of Part II of Schedule V of the Companies Act, 2013 is as under:**

**I. GENERAL INFORMATION**

<b>(1) Nature of Industry</b>	Construction and Hotels	
<b>(2) Date or expected date of Commencement of Production</b>	Existing Company. The Company is not engaged in any manufacturing activities.	
<b>(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.</b>	N.A.	
<b>(4) Financial Performance based on given indicators –</b>	<b>(₹ in lacs)</b>	
<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
Total Sales and Other Income	9077.45	8470.86
<b>Profit Before Depreciation, Interest and Taxes</b>	<b>2976.98</b>	<b>2222.80</b>
Provision for Depreciation	1417.29	1435.70
Interest	2770.30	2668.61
Provision for Taxation	(167.67)	(250.88)
<b>Net Profits</b>	<b>(1042.93)</b>	<b>(1630.62)</b>
<b>(5) Foreign Investments or collaborators, if any.</b>	The Company has no foreign investments or foreign collaborations.	

**II. INFORMATION ABOUT THE APPOINTEE**

<b>(1) Background details</b>	Mrs. Banmala Jha has done M.A. (English) and L.L.B. She has more than 20 years of experience in the legal field.
<b>(2) Past remuneration</b>	₹15,33,600 for the period from 01 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019.
<b>(3) Recognition or awards</b>	None
<b>(4) Job profile and his suitability</b>	To look after and manage whole of the affairs of the Company, a person should be expert in analysis and complete understanding of the organisation processes and the Industry in which it operates. Considering her long terms association with rich and vast experience in the legal field, she is most suitable for this job.
<b>(5) Remuneration proposed</b>	Remuneration as detailed in the explanatory statement set forth hereinabove.
<b>(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	There are no set standards for remuneration in the industry. Having regard to the type of industry, trends in the industry, the responsibilities, academic background and capabilities, the Company believes that the remuneration proposed is appropriate.
<b>(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</b>	She does not have any other pecuniary relationship with the Company nor is she related to or has pecuniary relationship with any of the Managerial personnel of the Company.



**III. OTHER INFORMATION**

<b>(1)</b>	<b>Reasons of loss or inadequate profits</b>	The Company has increased its revenue in past years and also posted profits but the profit margins are inadequate primarily due to business environment.
<b>(2)</b>	<b>Steps taken or proposed to be taken for improvement</b>	The Company has embarked on a series of strategic and operational measures that are expected to result in the improvement in the present position.
<b>(3)</b>	<b>Expected increase in productivity and profits in measurable terms.</b>	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

**IV. DISCLOSURE**

Remuneration package of Mrs. Banmala Jha has been disclosed in the commencing paragraph of this Explanatory Statement.

Except Ms. Banmala Jha and / or her relatives, none of the other Directors and Key Managerial Personnel (KMP) or their relatives is concerned or interested, financially or otherwise in the resolution.

The Board recommends the Special Resolution at Item No. 5 of the Notice for the approval of the members.

**ITEM NO. 6:**

Mrs. Asha Mehra (DIN: 02658967) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in the Annual General Meeting held on 29<sup>th</sup> October, 2014 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ('the Act') read with Schedule IV to the Act and Clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchange.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director. Pursuant to Regulation 17(1A) of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special resolution is passed to that effect.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 12<sup>th</sup> February, 2019 and 27<sup>th</sup> May, 2019 considered and recommended the re-appointment of Mrs. Asha Mehra (DIN: 02658967) aged 78 years as Non-Executive Independent Director of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any SEBI Order or any other such Authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

In the opinion of the Board, Mrs. Asha Mehra fulfills the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 and she is independent of the management. She is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for her re-appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mrs. Asha Mehra are given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company based on her performance evaluation, knowledge, background, extensive experience and contributions made by them during her tenure, it is desirable to re-appoint her as Non-Executive Independent Director of the Company for second term of five consecutive years. The Board recommends the Special Resolution(s) at Item No. 6 of the Notice for the approval of the Members.

Except Mrs. Asha Mehra and / or her relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution(s).

**ITEM NO. 7:**

Mr. Rajesh Jain (DIN: 00031590) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in the Annual General Meeting held on 29<sup>th</sup> October, 2014 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ('the Act') read with Schedule IV to the Act and Clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchange.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 27<sup>th</sup> May, 2019 considered and recommended the re-appointment of Mr. Rajesh Jain (DIN: 00031590) as Non-Executive Independent Director of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any SEBI Order or any other such Authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Rajesh Jain fulfills the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 and he is independent of the management. He is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for his re-appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Rajesh Jain are given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mr. Rajesh Jain would be beneficial to the Company based on his performance evaluation, knowledge, background, extensive experience and contributions made by them during his tenure, it is desirable to re-appoint him as Non-Executive Independent Director of the Company for second term of five consecutive years. The Board recommends the Special Resolution(s) at Item No.7 of the Notice for the approval of the Members.

Except Mr. Rajesh Jain and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution(s).

**ITEM NO. 8:**

Mr. Jag Mohan Lal Suri (DIN: 00002373), Non-Executive Director is 81 years old and is associated with the Company since 1994. Mr. Jag Mohan Lal Suri is highly experienced in Corporate Administration and has successfully contributed towards the growth of the Company.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 12<sup>th</sup> February, 2019 considered and recommended for the continuation of directorship of Mr. Jag Mohan Lal Suri as Non-Executive Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Jag Mohan Lal Suri are given in Notes forming part of the Notice.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

The Board recommends to the Shareholders that the association of Mr. Jag Mohan Lal Suri would be beneficial to the Company considering his knowledge, background, extensive experience and contributions made by him during his tenure and it is desirable to continue his Directorship as Non-Executive Director of the Company. The Board recommends the Special Resolution at Item No. 8 of the Notice for the approval of the Members.

Except Mr. Jag Mohan Lal Suri and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

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

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

**Place : Gurugram  
Date : 27<sup>th</sup> May, 2019**



**DIRECTORS' REPORT**

To the Members,

Your Directors are pleased to present the 25<sup>th</sup> Annual Report together with the Audited Financial Statements including Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019.

**FINANCIAL RESULTS**

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

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Total Revenue</b>	<b>9077.45</b>	8470.86	<b>9077.45</b>	8470.86
Expenditure	<b>6100.47</b>	6248.06	<b>6100.47</b>	6248.06
Finance Cost	<b>2770.30</b>	2668.61	<b>2770.30</b>	2668.61
Depreciation	<b>1417.29</b>	1435.70	<b>1417.29</b>	1435.70
<b>Profit for the year before Tax</b>	<b>(1210.60)</b>	(1881.50)	<b>(1210.60)</b>	(1881.50)
Tax Expense	<b>(167.67)</b>	(250.88)	<b>(167.67)</b>	(250.88)
<b>Profit for the year after Tax</b>	<b>(1042.93)</b>	(1630.62)	<b>(1042.93)</b>	(1630.62)
Other Comprehensive Income	<b>(3.44)</b>	6.33	<b>(3.44)</b>	6.33
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>(1046.37)</b>	(1624.29)	<b>(1046.37)</b>	(1624.29)

**DIVIDEND**

In view of the current year losses, your Directors regret their inability to recommend dividend for the year under review.

**TRANSFER TO GENERAL RESERVE**

The Board of Directors of your Company has decided not to transfer any amount to the General Reserve for the year under review.

**PERFORMANCE REVIEW & OUTLOOK**

The total revenue for the year under review was ₹ 9077.45 Lacs as against ₹ 8470.87 Lacs in the previous year.

The total revenue of the hotel unit of the Company, Taj City Centre, Gurugram, for the financial year under review was ₹ 8605.47 Lacs as compared to ₹ 8326.17 Lacs during the previous year.

During the year under review, the Company earned a cash profit amounting to ₹ 1,85,07,082 compared to cash loss amounting to ₹ 4,45,80,587 incurred in the previous financial year.

The Company's Net Loss after Tax for the year under review was ₹ 1042.93 Lacs as compared to ₹ 1630.62 Lacs during the previous year.

The Industry trends and future prospects are summed up in the Management Discussion and Analysis which forms part of this report.

**SCHEME OF ARRANGEMENT**

The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh vide its Order Dated 22<sup>nd</sup> December, 2017 sanctioned the Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956.

The Scheme came into effect on 30<sup>th</sup> January, 2018 from the Appointed Date(s) i.e. 01<sup>st</sup> April, 2015 & 03<sup>rd</sup> April, 2015 in a manner more particularly defined in the Scheme.

The Copy of Scheme of Arrangement along with all other documents are available on the Company's website having following web link, <http://www.hbestate.com/Investor%20Information/schemes/index.htm>

**STATUTORY STATEMENTS**

**(i) Share Capital**

The Company issued and subscribed share Capital consists of Equity Preference Shares Capital. The Paid up Equity Share Capital as on 31<sup>st</sup> March, 2019 stood at ₹ 1,04,45,99,470/- comprising of 19459947 Equity Shares of ₹ 10/- each and 8500000 Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 100/- each.

During the year under review, the Company has issued 2000000 Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 100/- each on Private Placement basis.

The Shareholding of Directors of the Company (including Promoter Director) is given in the Corporate Governance Report forming part of this report.

**(ii) Number of meeting(s) of the Board**

During the year under review, four Board Meetings were convened and held. The details of such meeting(s) are given in the Corporate Governance Report. The maximum interval between any two meeting(s) did not exceed 120 days, as prescribed in the Companies Act, 2013.

**(iii) Public Deposits**

The Company has not accepted any Deposits from the Public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**(iv) Significant and other material orders passed by the regulators or courts**

There are no significant material orders passed by the Regulators or Courts or Tribunal during the year under review which has an impact on the Going Concern status and Company's operations in future.

**(v) Particulars of Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**(vi) Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 in respect of conservation of energy and technology absorption are not applicable to your Company.

The total foreign exchange earnings during the year under review and previous period is NIL and total foreign exchange out go during the year under review and the previous period is NIL.

**(vii) Change in the Nature of Business**

There is no change in the nature of business of the Company during the year under review.

**(viii) Maintenance of cost records**

The nature of Company's business / activities is such that maintenance of cost records under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.

**(ix) Material Changes and commitments**

No material changes and commitments have occurred between the end of the financial year to which the financial statements relate and date of this report, affecting the financial position of the Company.

**(x) Reporting of frauds by the Auditors**

No fraud has been noticed or reported by the Statutory Auditor's during the course of their Audit.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

**(i) Subsidiaries**

The Company does not have any Subsidiary and no Company has become or ceased to be Company's Subsidiary during the year under review.

The Board of Directors has approved a Policy for Determining Material Subsidiaries in compliance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for Determining Material Subsidiary has been suitably modified as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The said Policy has been uploaded on the website of the Company, [www.hbestate.com](http://www.hbestate.com) having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html>

**(ii) Joint Ventures**

The Company is not having any Joint Venture business and no Company has become its Joint Venture during the year under review.

**(iii) Associate Companies**

In terms of Sec 2(6) of the Companies Act, 2013, Parsvnath HB Projects Pvt. Ltd. is the Associate Company. A separate statement containing the salient features of the Financial Statement of the Company's Associates is being provided in **Form AOC-1**.

**MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT**

As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report; a Report on the Corporate Governance together with the Compliance Certificate from the Company's Statutory Auditor's confirming compliance(s) forms an integral part of this report.

**VIGIL MECHANISM - WHISTLE BLOWER POLICY**

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company, having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html>

**RELATED PARTY TRANSACTIONS**

The Related Party Transactions that were entered during the financial year under review were on arm's length basis and were in the ordinary course of business. The Audit Committee has accorded its omnibus approval for the said transactions. The Company has not entered into any materially significant Related Party Transaction under Sec 188 of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.



## HB ESTATE DEVELOPERS LIMITED

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Company's Policy on Related Party Transactions and with the approval of the Shareholders, the Company entered into material related party transaction with HB Portfolio Limited by issue and allotment of 2000000 (Twenty Lakhs) 9% Non-Cumulative Non-Convertible Redeemable Preference Shares (Series III) of ₹ 100/- each on Private Placement basis aggregating to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) during the year under review.

The Board of Directors, on the recommendation of the Audit Committee, has approved a Policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules made there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party Transactions has been suitably modified as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Policy is available on the website of the Company having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html>

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all Stakeholders and in ensuring adherence to all laws and regulation in force.

The Board of Directors has adopted the Code of Conduct for regulating, monitoring and reporting of trading by insiders and other connected persons, in compliance with Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct lays down guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company, as well as the consequences of violation. The Code of Conduct has been formulated for prevention of Insider Trading and to maintain the highest standards of dealing in Company Securities. The Code of Conduct has been suitably modified as per the provisions of the Insider Trading Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Further, the Policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information have been framed in line with the provisions of the Insider Trading Regulations, as amended.

### PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 10<sup>th</sup> February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

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

The said Policy is available on the website of the Company having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html>

### DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

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

### PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors in their meeting held on 08<sup>th</sup> August, 2014 constituted the Internal Complaint Committee and adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Internal Complaint Committee comprises of following members:

- (i) Mrs. Banmala Jha, Presiding Officer (Manager)
- (ii) Mrs. Madhu Suri, Member (Working in the Delhi Legal Services Authority as a Counsellor)
- (iii) Mr. Anil Goyal, Member (Director)
- (iv) Mrs. Radhika Khurana, Member (Company Secretary)

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The women employees were made aware about the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under and the provisions of Internal Complaint Policy of the Company.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given as under:

a. Number of complaints filed during the financial year	Nil
b. Number of complaints disposed of during the financial year	Nil
c. Number of complaints pending as on end of the financial year	Nil

### INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of Internal Controls. The information about Internal Controls is set out in the Management Discussion and Analysis forming part of this report.

### INTERNAL FINANCIAL CONTROLS

The Company has established Internal Financial Control System for ensuring the orderly and efficient conduct of the business including adherence to Company's Policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

### AUDITORS

#### (i) Statutory Auditors

The Shareholders in the 23<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 had appointed 'G. C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors for a term of five (5) consecutive years i.e. from the conclusion of the 23<sup>rd</sup> Annual General Meeting to the conclusion of 28<sup>th</sup> Annual General Meeting to be held in the year 2022.

As per the amended provisions of Sec 139(1) of the Companies Act, 2013, the requirement of ratification of the appointment of Statutory Auditors by members at every general meeting has been omitted. Accordingly, the resolution is proposed for the approval of members at the ensuing Annual General Meeting to dispense with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

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

#### (ii) Internal Auditors

'Marv & Associates LLP', Chartered Accountants, New Delhi perform the duties of the Internal Auditors of the Company and their report is reviewed by the Audit Committee on quarterly basis.

#### (iii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A.N. Kukreja, Proprietor, 'A.N. Kukreja & Co.', Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as a part of this report as "ANNEXURE – I".

The Secretarial Auditors have made following observations in their Secretarial Audit Report:

- (a) *The Company did not have a Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director during the year under review. In order to comply with the said requirement, the Company has appointed Manager effective from 27<sup>th</sup> May, 2019 being its Key Managerial Personnel (KMP) as per the provisions of Section 203 of the Companies Act, 2013.*

**Director's Comment:** No comments required as the Auditors observation is self explanatory in itself.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee) pursuant to the provisions of Section 135 of the Companies Act, 2013. The composition of the CSR Committee has been mentioned in the Corporate Governance Report forming part of this report. The Board of Directors, on the recommendation of the CSR Committee, has approved the Corporate Social Responsibility Policy (CSR Policy) of the Company which is available on the website of the Company having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html> No changes have been made to the CSR Policy of the Company during the year under review.

#### Brief outline / salient features of the CSR Policy of the Company are as follows:

- The Company endeavors to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the activities allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations.
- To identify the activities in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner.
- To provide financial assistance in the form of grant-in-aid assistance and corpus fund support etc. to support, supplement and improve the quality of life of different segments of the Society.
- As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on the social welfare activities.
- A total allocation of amount as prescribed by the Companies Act, 2013 and approved by the Board earmarked every year for implementation of CSR activities.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

#### (a) Appointment / Re-appointment / Resignation of Directors and KMP

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Goyal (DIN: 00001938), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Mr. Luv Malhotra (DIN: 00030477), Non-Executive Independent Director resigned from the Board on 18<sup>th</sup> January, 2019 due to his pre-occupations and other various business commitments and there were no other material reasons other than those provided. His significant contributions and valuable advice from time to time to the management regarding the affairs of the Company were of immense help to the company.



Mr. Yash Kumar Sehgal (DIN: 03641168), who has been appointed as Non-Executive Independent Director of the Company to fill the casual vacancy by the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 on the recommendation of the Nomination and Remuneration Committee and proposed for the appointment and he shall hold office up to the date the outgoing director would have held office. The Company has received requisite consent from Mr. Yash Kumar Sehgal to act as Director of the Company and a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. In the opinion of the Board, He fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the management. The Board recommends to the Shareholders that the appointment of Mr. Yash Kumar Sehgal would be of immense benefit to the Company considering his knowledge, background and extensive experience.

Mrs. Banmala Jha who has been appointed as a Manager being the Key Managerial Personnel (KMP) of the Company by the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 on the recommendation of Nomination and Remuneration Committee for a period of three (3) years with effect from 27<sup>th</sup> May, 2019 to 26<sup>th</sup> May, 2022 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice. The Board recommends to the Shareholders that the appointment of Mrs. Banmala Jha would be immense benefit to the Company considering her long term association with the Company and her extensive experience.

Mrs. Asha Mehra (DIN: 02658967) aged 78 years and Mr. Rajesh Jain (DIN: 00031590) aged 63 years are proposed to be re-appointed as Non-Executive Independent Directors for second term of five consecutive years. The Company has received a declaration to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and are not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. In the opinion of the Board, Mrs. Asha Mehra and Mr. Rajesh Jain fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends to the Shareholders that the association of Mrs. Asha Mehra and Mr. Rajesh Jain would be beneficial to the Company based on their performance evaluation, considering their knowledge, background, extensive experience and contributions made by them during their tenure and it is desirable to re-appoint them as Non-Executive Independent Directors of the Company for second term of five consecutive years.

It is proposed to continue the Directorship of Mr. Jag Mohan Lal Suri (DIN: 00002373), Non-Executive Director of the Company in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. He is 81 years old and associated with the Company since 1994. He is highly experienced in Corporate Administration and has successfully contributed towards the growth of the Company. The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. On the recommendation of the Nomination and Remuneration Committee, the Board recommends to the Shareholders that the association of Mr. Jag Mohan Lal Suri would be beneficial to the Company considering his knowledge, background, extensive experience and contributions made by him during his tenure and it is desirable to continue his Directorship as Non-Executive Director of the Company.

**(b) Declaration from Independent Directors**

Mrs. Asha Mehra and Mrs. Rajesh Jain are Non-Executive Independent Directors on the Board of the Company. The Company has received declarations from all the Independent Director(s) confirming that they meet with the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b), 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(c) Nomination and Remuneration Policy**

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, has approved a Policy for selection, appointment & remuneration including criteria for determining qualifications, positive attributes of Directors, Key Managerial Personnel (KMP) and Senior Management employees of the Company.

**Brief outline / salient features of the Nomination and Remuneration Policy are as follows:**

- Nomination and Remuneration Committee has been empowered inter-alia to carry out the following functions:
  - Identification and selection of persons for appointment as Director, KMP or at Senior Management level considering their qualification, experience and integrity.
  - Determining the appropriate size, diversity and composition of the Board.
  - Developing a succession plan for the Board and Senior Management of the Company.
  - To recommend all remuneration, in whatever form, payable to senior management.
  - Considering and determining the remuneration based upon the performance to attract retain and motivate members of the Board.
  - Approving the remuneration of the Senior Management including KMPs of the Company.

- Evaluation of performance of the Board, its Committees, Individual Directors and Senior Management Personnel on yearly basis.
- To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Approval of the Shareholders by way of Special Resolution is required in following cases:
  - To appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.
  - To appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years.
  - To re-appoint Independent Directors for second terms of five consecutive years.
  - Payment of fees or compensation to executive directors who are promoters or members of the promoter group exceeding particular limits specified in the policy.
  - The annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.
- Executive Directors / Managing Director are paid remuneration as per to be paid applicable provisions of the Companies Act, 2013 and rules made there under.
- 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 has been fixed by the Board of Directors within the overall ceiling laid down under the Companies Act, 2013.

**Following changes have been made in the Nomination and Remuneration Policy of the Company as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:**

- 1) The Nomination and Remuneration Committee to recommend to the Board, all remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management.
- 2) **“Senior Management”** means officers / personnel of the Company who are members of the core management team excluding Board of Directors comprising all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- 3) The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- 4) The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
  - (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the company, whichever is higher; or
  - (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the company;

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.
- 5) The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html>

**(d) Board Diversity**

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced growth of the Company. The Board of Directors on the recommendations of the Nomination and Remuneration Committee has adopted a Policy on Diversity of Board of Directors in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(e) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual performance evaluation of its own performance and of all the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.



**(f) Remuneration of the Directors / Key Managerial Personnel (KMP) and Particulars of Employees**

The provisions of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable, as there are no such employee who were drawing / in receipt of remuneration of prescribed amount during the period under review.

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors / Key Managerial Personnel (KMP) and Employees of the Company is furnished hereunder:

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; and
- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Serial No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director / to median remuneration of employees	% Increase in remuneration in the financial year 2018-19
1.	Mr. Lalit Bhasin	Director (Non-executive)	N.A.	N.A.
2.	Mr. Anil Goyal	Director (Non-executive)	N.A.	N.A.
3.	Mr. Jag Mohan Lal Suri	Director (Non-executive)	N.A.	N.A.
4.	Mr. Rajesh Jain	Director (Non-executive)	N.A.	N.A.
5.	Mrs. Asha Mehra	Director (Non-executive)	N.A.	N.A.
6.	Mr. Luv Malhotra*	Director (Non-executive)	N.A.	N.A.
7.	Mr. Praveen Gupta	Chief Financial Officer		Nil
8.	Mrs. Radhika Khurana	Company Secretary and Compliance Officer		Nil

(\* ) Resigned from the Board w.e.f 18<sup>th</sup> January, 2019.

The Non-Executive Directors are paid only sitting fees for attending meeting of the Board of Directors and the Committees constituted by the Board.

- (iii) There is no increase in the median remuneration of employees in current financial year as compared to previous financial year.
- (iv) The number of permanent employees on the rolls of the Company:  
19 employees on the Company rolls and 373 employees on the rolls of the Company's Hotel Unit (Taj City Centre, Gurugram) operated by The Indian Hotels Company Limited as on 31<sup>st</sup> March, 2019.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year as compared to the percentile increase in the managerial remuneration: Nil

- (vi) The key parameters for any variable component of remuneration availed by the directors: Not Applicable
- (vii) The remuneration paid to the Directors / Key Managerial Personnel (KMP) is in accordance with the remuneration policy of the Company.

**SECRETARIAL STANDARDS**

During the year under review, the Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as provided under sub-section (3) of Section 92 in **Form MGT-9** is enclosed as a part of this report as **"ANNEXURE – II"**.

The Annual Return (Form MGT-7) filed by the Company for FY 2017-18 with the Registrar of Companies is available on the website of the Company having following web link, <http://www.hbestate.com/Investor%20Information/Annual%20Return/index.html>

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to sub-section (3)I & (5) of Section 134 of the Companies Act, 2013, it is hereby stated that:

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such Accounting Policies and applied them consistently and made judgments 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 and of the Profit or Loss of the Company for that period;
- c) 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;
- d) the Directors had prepared the Annual Accounts on a going concern basis;
- e) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGMENTS**

Your Directors wish to thank and acknowledge the co-operation, assistance and support extended by the Banks, Company's Shareholders and Employees.

**FOR AND ON BEHALF OF THE BOARD  
HB ESTATE DEVELOPERS LIMITED**

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

**Place: Gurugram  
Date: 27<sup>th</sup> May, 2019**



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**  
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014.

To,  
**The Members of**  
**HB Estate Developers Limited.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HB Estate Developers Limited - CIN: L99999HR1994PLC034146** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **HB Estate Developers Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2019** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2019 according to the provisions of:
  - (i). The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
  - (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings\*.
  - (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;\*
    - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;\*
    - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;\* and
    - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.\*

\*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv) of para 1 above and SEBI Regulations listed at sub-para (v) Serial Nos. (f), (g), (h) and (i) above are not applicable to the Company for 2018-19 as there were no corporate decisions/actions during the year under report, attracting these regulations.
  - (vi). The Other Laws applicable specifically to the Company (including its Unit: Taj City Centre, Gurugram) are:
    - (a). The Punjab Shops and Commercial Establishments Act, 1958 as adopted by State of Haryana; approval/Certificate for Fire Safety and NOCs from local bodies.
    - (b). Indian Boilers Act, 1923.
    - (c). Prevention of Food Adulteration Act, 1954.
    - (d). Food Safety and Standards Act, 2006.
    - (e). Legal Metrology Act, 2009 and applicable Rules.
    - (f). Environment (Protection) Act, 1986.
    - (g). Air (Prevention and Control of Pollution) Act, 1981.
    - (h). Water (Prevention and Control of Pollution) Act, 1974.
    - (i). Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

2. We have also examined the compliances with the applicable Regulations/Standards of the following:
  - (i). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Bombay Stock Exchange Ltd.; and
  - (ii). Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Standards/Guidelines, etc. mentioned above subject to the following comment:

The Company did not have Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director, as required under Section 203 of the Companies Act, 2013.

4. **We further report that:**
  - (a) The Board of Directors of the Company is duly constituted with all Non- Executive Directors, including a Woman Director and Independent Directors except Executive Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - (c) Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.
5. **We further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. **We further report** that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations were taken except the following:
  - (a) Approval of shareholders at the annual general meeting held on 25.9.2018 for issuance, in one or more tranches, 50,00,000 redeemable non-cumulative non-convertible preference shares – Series III of face value of Rs. 100/ each to various entities/persons including promoters/promoter group and associates on private placement basis, as set out in the special resolution; and
  - (b) Approval of shareholders at the annual general meeting held on 25.9.2018 for alteration of Objects Clause III (A) of Memorandum of Association of the Company for enabling the Company to carry on the business of financing subject to Banking Regulation Act, 1949.

This report is to be read with our letter of even date which is annexed as **Annexure "A"** and forms an integral part of this report.

**For A.N. Kukreja & Co.**  
**Company Secretaries**

Sd/  
**A.N. Kukreja**  
**(Proprietor)**  
**FCS 1070; CP 2318**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May, 2019**

**Annexure 'A'**

To,  
**The Members of**  
**HB Estate Developers Limited**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

**For A.N. Kukreja & Co.**  
**Company Secretaries**

Sd/  
**A.N. Kukreja**  
**(Proprietor)**  
**FCS 1070; CP 2318**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May, 2019**



**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended on 31<sup>st</sup> March, 2019**  
(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

**I. REGISTRATION & OTHER DETAILS:**

i.	CIN	L99999HR1994PLC034146
ii.	Registration Date	20th September, 1994
iii.	Name of the Company	HB Estate Developers Limited
iv.	Category/Sub-Category of the Company	Company having Share Capital
v.	Address of the Registered office & contact details	Plot No. 31, Echelon Institutional Area, Sector-32, Gurugram – 122001, Haryana Phone: 0124-4675500, Fax : 0124-4370985 Email : corporate@hbestate.com Website: www.hbestate.com
vi.	Whether listed company	Yes (Listed at BSE)
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020 Phone: 011-26387320, 21 Fax: 011-26387322 Email: investor.services@rcmcdelhi.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Construction and Hotels	41001 and 55101	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Parsvnath HB Projects Pvt. Ltd. Address: Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi- 110032.	U45200DL2008PTC175708	Associate	49.00	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity):**

(i) Category-wise Shareholding:

Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	10507501	0	10507501	54	10541908	0	10541908	54.17	0.17
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	2438879	0	2438879	12.53	2438879	0	2438879	12.53	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL: (A) (1)</b>	<b>12946380</b>	<b>0</b>	<b>12946380</b>	<b>66.53</b>	<b>12980787</b>	<b>0</b>	<b>12980787</b>	<b>66.70</b>	<b>0.17</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL: (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>12946380</b>	<b>0</b>	<b>12946380</b>	<b>66.53</b>	<b>12980787</b>	<b>0</b>	<b>12980787</b>	<b>66.70</b>	<b>0.17</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	218	2515	2733	0.01	218	2515	2733	0.01	0.00
b) Banks / FI	0	147	147	0.00	0	147	147	0.00	0.00



Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	8141	0	8141	0.04	0	0	0	0.00	-0.04
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>8359</b>	<b>2662</b>	<b>11021</b>	<b>0.05</b>	<b>218</b>	<b>2662</b>	<b>2880</b>	<b>0.01</b>	<b>-0.04</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	722999	19352	742351	3.81	801891	19196	821087	4.22	0.41
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakhs	2622508	1949220	4571728	23.49	2538858	1769224	4308082	22.14	-1.35
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	275187	44186	319373	1.64	478482	0	478482	2.46	0.82
<b>c) Other (specify)</b>									
i) Clearing Members	46504	0	46504	0.24	23659	43	23702	0.12	-0.12
ii) Non-Residents	103717	53269	156986	0.81	87828	49588	137416	0.71	-0.10
iii) NBFC Registered with RBI	85	0	85	0.00	168	0	168	0.00	0.00
iv) Trusts	44	0	44	0.00	9	0	9	0.00	0.00
v) IEPs Account	665475	0	665475	3.42	707334	0	707334	3.63	0.21
<b>SUB TOTAL (B)(2):</b>	<b>4436519</b>	<b>2066027</b>	<b>6502546</b>	<b>33.46</b>	<b>4638229</b>	<b>1838051</b>	<b>6476280</b>	<b>33.29</b>	<b>-0.17</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>	<b>4444878</b>	<b>2068689</b>	<b>6513567</b>	<b>33.46</b>	<b>4638447</b>	<b>1840713</b>	<b>6479160</b>	<b>33.29</b>	<b>-0.17</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>17391258</b>	<b>1975032</b>	<b>19459947</b>	<b>100.00</b>	<b>17619234</b>	<b>1840713</b>	<b>19459947</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters:**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of shares pledged / encumbered to total Shares	No. of Shares*	% of total Shares of the Company	% of shares pledged / encumbered to total Shares	
1.	Lalit Bhasin*	9927873	51.02	0.00	9962280	51.19	0.00	0.17
2.	HB Portfolio Limited	2104317	10.81	0.00	2104317	10.81	0.00	0.00
3.	HB Stockholdings Limited	125400	0.64	0.00	125400	0.64	0.00	0.00
4.	Rima Arora	199680	1.03	0.00	199680	1.03	0.00	0.00
5.	RRB Securities Limited	153600	0.79	0.00	153600	0.79	0.00	0.00
6.	Ayush Kapur	88987	0.46	0.00	88987	0.46	0.00	0.00
7.	Kanishk Kapur	88987	0.46	0.00	88987	0.46	0.00	0.00
8.	Manasvin Arora	88987	0.46	0.00	88987	0.46	0.00	0.00
9.	Mehar Arora	88987	0.46	0.00	88987	0.46	0.00	0.00
10.	Mamta Kapur	24000	0.12	0.00	24000	0.12	0.00	0.00
11.	RRB Master Holdings Limited	48473	0.25	0.00	0	0.00	0.00	(0.25)
12.	HB Corporate Services Limited**	0	0.00	0.00	48473	0.25	0.00	0.25
13.	Merrygold Investments Limited	7089	0.04	0.00	7089	0.04	0.00	0.00
	<b>Total</b>	<b>12946380</b>	<b>66.53</b>	<b>0.00</b>	<b>12980787</b>	<b>66.71</b>	<b>0.00</b>	<b>0.18</b>

(\*) Shares acquired from the open market.

(\*\*) During the year under review, 48473 Equity Shares held by RRB Master Holdings Limited transferred and vested into HB Corporate Services Limited on 3/11/2018 pursuant to Scheme of Amalgamation duly sanctioned by the Hon'ble NCLT.



## (iii) Change in Promoters' Shareholding :

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Mr. Lalit Bhasin</b>				
	At the beginning of the year	9927873	51.02	9927873	51.02
	17/09/2018 – 21/09/2018*	34407	0.18	9962280	51.19
	At the end of the year			9962280	51.19
<b>2.</b>	<b>RRB Master Holdings Limited</b>				
	At the beginning of the year	48473	0.25	48473	0.25
	03/11/2018 – Transfer**	(48473)	0.25	0	0.00
	At the end of the year			0	0.00
<b>3.</b>	<b>HB Corporate Services Limited</b>				
	At the beginning of the year	0	0.00	0	0.00
	03/11/2018 – Acquisition**	48473	0.25	48473	0.25
	At the end of the year			48473	0.25

(\*) Shares acquired from the open market.

(\*\*) Pursuant to the Scheme of Amalgamation of RRB Master Holdings Limited with HB Corporate Services Limited.

## (iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs):

Sl No.	For Each of the Top 10 Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>1</b>	<b>DELHI IRON &amp; STEEL CO (P) LTD</b>					
	At the beginning of the year		163465	0.84	163465	0.84
	10/08/2018	Sell	-15000	-0.08	148465	0.76
	28/09/2018	Buy	200	0	148665	0.76
	16/11/2018	Buy	3493	0.02	152158	0.78
	23/11/2018	Buy	500	0	152658	0.78
	30/11/2018	Buy	880	0	153538	0.79
	07/12/2018	Sell	-153538	-0.79	0	0
	21/12/2018	Buy	892	0	892	0
	28/12/2018	Buy	3793	0.02	4685	0.02
	04/01/2019	Buy	7108	0.04	11793	0.06
	11/01/2019	Buy	6156	0.03	17949	0.09
	18/01/2019	Buy	2590	0.01	20539	0.11
	25/01/2019	Buy	500	0	21039	0.11
	08/02/2019	Buy	1447	0.01	22486	0.12
	15/02/2019	Buy	617	0	23103	0.12
	22/02/2019	Buy	2500	0.01	25603	0.13
	01/03/2019	Buy	109049	0.56	134652	0.69
	08/03/2019	Buy	91034	0.47	225686	1.16
	15/03/2019	Buy	7586	0.04	233272	1.2
	22/03/2019	Buy	4599	0.02	237871	1.22
	29/03/2019	Buy	29809	0.15	267680	1.38
	At the end of the year				267680	1.38
<b>2.</b>	<b>CHL LIMITED</b>					
	At the beginning of the year		155990	0.8	155990	0.8
	At the end of the year				155990	0.8
<b>3.</b>	<b>SUJATA HOLDINGS PVT LTD</b>					
	At the beginning of the year		106871	0.55	106871	0.55
	10/08/2018	Buy	25744	0.13	132615	0.68
	17/08/2018	Buy	35406	0.18	168021	0.86
	21/09/2018	Sell	-17500	-0.09	150521	0.77
	28/09/2018	Sell	-10000	-0.05	140521	0.72
	At the end of the year				140521	0.72



SI No.	For Each of the Top 10 Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4.	<b>MAHENDRA GIRDHARILAL</b>					
	At the beginning of the year		38095	0.2	38095	0.2
	31/08/2018	Buy	694	0	38789	0.2
	07/09/2018	Buy	3706	0.02	42495	0.22
	14/09/2018	Buy	4532	0.02	47027	0.24
	28/09/2018	Buy	8632	0.04	55659	0.29
	05/10/2018	Buy	120	0	55779	0.29
	12/10/2018	Buy	3724	0.02	59503	0.31
	19/10/2018	Buy	666	0	60169	0.31
	26/10/2018	Buy	232	0	60401	0.31
	02/11/2018	Buy	143	0	60544	0.31
	09/11/2018	Buy	998	0.01	61542	0.32
	07/12/2018	Buy	1266	0.01	62808	0.32
	14/12/2018	Buy	1418	0.01	64226	0.33
	21/12/2018	Buy	907	0	65133	0.33
	28/12/2018	Buy	319	0	65452	0.34
	18/01/2019	Buy	2223	0.01	67675	0.35
	25/01/2019	Buy	8241	0.04	75916	0.39
	01/02/2019	Buy	2409	0.01	78325	0.4
	08/02/2019	Buy	5393	0.03	83718	0.43
15/02/2019	Buy	106	0	83824	0.43	
22/02/2019	Buy	1080	0.01	84904	0.44	
01/03/2019	Buy	77	0	84981	0.44	
08/03/2019	Buy	18	0	84999	0.44	
At the end of the year				<b>84999</b>	<b>0.44</b>	
5.	<b>AMRIT STEELS (P) LTD.</b>					
	At the beginning of the year		0	0	0	0
	07/12/2018	Buy	54000	0.28	54000	0.28
	At the end of the year				<b>54000</b>	<b>0.28</b>
6.	<b>PRADEEP JAIN</b>					
	At the beginning of the year		52215	0.27	52215	0.27
	At the end of the year				<b>52215</b>	<b>0.27</b>
7.	<b>ASHARI AGENCIES LTD</b>					
	At the beginning of the year		144608	0.74	144608	0.74
	07/12/2018	Buy	100000	0.51	244608	1.26
	01/03/2019	Sell	-144608	-0.74	100000	0.51
	08/03/2019	Sell	-50000	-0.26	50000	0.26
At the end of the year				<b>50000</b>	<b>0.26</b>	
8.	<b>DEEPAK JAIN</b>					
	At the beginning of the year		39294	0.2	39294	0.2
	31/08/2018	Buy	10000	0.05	49294	0.25
	07/09/2018	Sell	-5000	-0.03	44294	0.23
	19/10/2018	Buy	3000	0.02	47294	0.24
	At the end of the year				<b>47294</b>	<b>0.24</b>
9.	<b>KUMAR SWAMY BS</b>					
	At the beginning of the year		29728	0.15	29728	0.15
	At the end of the year				<b>29728</b>	<b>0.15</b>
10.	<b>AVANTHA HOLDING LIMITED</b>					
	At the beginning of the year		29501	0.15	29501	0.15
	At the end of the year				<b>29501</b>	<b>0.15</b>



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Lalit Bhasin	9927873	51.02	9962280	51.19
2.	Mr. Anil Goyal	NIL	N.A	NIL	N.A
3.	Mr. Jagmohan Lal Suri*	709	0.00	709	0.00
4.	Mr. Rajesh jain	NIL	N.A	NIL	N.A
5.	Mrs. Asha Mehra	NIL	N.A	NIL	N.A
6.	Mr. Luv Malhotra**	NIL	N.A	NIL	N.A
7.	Mr. Praveen Gupta, CFO (KMP)	NIL	N.A	NIL	N.A
8.	Mrs. Radhika Khurana, CS (KMP)	NIL	N.A	NIL	N.A

(\*) Jointly held with his wife

(\*\*) Resigned from the Board w.e.f. 18<sup>th</sup> January, 2019

V. INDEBTEDNESS:

Indebtedness of the company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount*	1,80,96,62,432	84,91,12,212	NA	2,65,87,74,645
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	1,44,78,916	4,79,998	NA	1,49,58,914
<b>Total (i+ii+iii)</b>	<b>1,82,41,41,348</b>	<b>84,95,92,210</b>	<b>NA</b>	<b>2,67,37,33,558</b>
Changes in Indebtedness during the financial year				
• Addition	0	10,35,00,000	NA	10,35,00,000
• Reduction	1,98,54,350	42,09,90,311	NA	44,08,44,662
<b>Net Change</b>	<b>(1,98,54,350)</b>	<b>(31,74,90,311)</b>	<b>NA</b>	<b>(33,73,44,662)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,78,98,08,082	53,16,21,901	NA	2,32,14,29,983
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	1,52,16,610	0	NA	1,52,16,610
<b>Total (i+ii+iii)</b>	<b>1,80,50,24,692</b>	<b>53,16,21,901</b>	<b>NA</b>	<b>2,33,66,46,593</b>

(\*) Includes the impact of Composite Scheme of Arrangement

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole –time Directors and / or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		N.A.
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Others, please specify	-
	<b>Total(A)</b>	-
	<b>Ceiling as per the Act</b>	-


**B) Remuneration to other directors:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
1.	<b>Independent Directors</b>	<b>Mr. Rajesh Jain</b>	<b>Mrs. Asha Mehra</b>	<b>Mr. Luv Malhotra*</b>	
	• Fee for attending board / committee meetings #	73,500	66,000	30,000	1,69,500
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>73,500</b>	<b>66,000</b>	<b>30,000</b>	<b>1,69,500</b>
2.	<b>Other Non-Executive Directors</b>	<b>Mr. Lalit Bhasin</b>	<b>Mr. Anil Goyal</b>	<b>Mr. Jagmohan Lal Suri</b>	
	• Fee for attending board / committee meetings #	40,000	57,500	63,500	1,61,000
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>40,000</b>	<b>57,500</b>	<b>63,500</b>	<b>1,61,000</b>
	<b>Total Managerial Remuneration</b>				<b>3,30,500</b>
	<b>Overall Ceiling as per the Act</b>	Sitting fee paid as per the provisions of the Companies Act, 2013.			

(#) Excluding reimbursement of travel and other expenses incurred for attending the meetings.

 (\*) Resigned from the Board w.e.f. 18<sup>th</sup> January, 2019

**C) Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Praveen Gupta (Chief Financial Officer)	Mrs. Radhika Khurana (Company Secretary)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	19,80,000	3,00,000	22,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17,82,469	2,60,700	20,43,169
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- As % of profit	NIL	NIL	NIL
	- Others, specify	-	-	-
5.	Ex-Gratia	-	1,00,000	1,00,000
	<b>Total</b>	<b>37,62,469</b>	<b>6,60,700</b>	<b>44,23,169</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/ NCLT / Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment compounding			None		



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**1. OPERATING RESULTS**

During the year under review, the Company's Total Revenue is ₹ 9077.45 Lacs as compared to ₹ 8470.56 Lacs in the previous year. The Company incurred total expenses amounted to ₹ 10288.06 as compared to ₹ 10352.37 during the previous year. Loss after tax stood at ₹ 1042.93 lakhs as against ₹ 1630.62 lakhs in the previous year.

**2. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion. FEEs during January 2019 was US\$ 2.55 billion.

During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.

The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2018, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

During the period April 2000-December 2018, the hotel and tourism sector attracted around US\$ 12 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

**3. OPPORTUNITIES AND THREATS**

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low cost healthcare facility.

The sector also faces several challenges in terms of complex regulatory environment and inadequate tourism infrastructure.

**4. SEGMENT-WISE PERFORMANCE**

The revenue from hotel operations, Real Estate and other income for the Financial Year ended 31<sup>st</sup> March, 2019, along with the previous year income is mentioned in the notes to the accounts and forms a part of the Balance Sheet.

**5. FUTURE PROSPECTS AND OUTLOOK**

The industry to register an overall healthy growth on back of economic growth due to recovery in the global conditions resulting in higher movement in the MICE segment and consistently growing middle class along with increasing disposable income. There are various other key factors that drive the market, including India's attractiveness as a medical tourism destination; steadily growing Meetings, Incentives, Conferences and Exhibitions (MICE) segment; and, an increasing fondness among millennial to travel.

It is expected to see an increase in room revenue at the rate of about 10-12% CAGR over the next 5 years.

**6. RISKS AND CONCERNS**

Your Company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks. The Company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

**Risk Management Policy**

- (i) The Senior Management is responsible for identification of new risks, changes to existing risks and retirement of previously identified risks through a formal decision making process.
- (ii) To ensure key risks are identified and analysed, the Senior Management:
  - (a) defines risks in the context of the Company's strategy;
  - (b) prepares risk profiles including a description of the material risks, the risk level and action plans used to mitigate the risk; and
  - (c) regularly reviews and updates the risk profiles.
- (iii) The Company has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks and provides the necessary tools and resources to management and staff to support the effective management of risks.
- (iv) Risks faced by the Company in its business principally arise from Real Estate and Tourism industry. This includes macroeconomic risks, investee company specific risks, market wide liquidity risks and execution risks relating to the company/ its intermediaries. The macroeconomic risks, investee company specific risks are covered by investment decisions based on third party research and internal assessment. Market wide risks are assessed and managed by investment timing decisions. The execution risk is managed by dealing with reputed intermediaries and through own back office discipline re accounting and follow up of trades.
- (v) The Company assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed.

**7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your 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 and Redeemable Preference Share capital. The paid-up share capital of the company as at 31<sup>st</sup> March, 2019, stood at ₹ 1044599470/- comprising of 19459947 Equity Shares of ₹ 10/- each and 8500000 Redeemable Non Convertible Non Cumulative Preference Shares of ₹ 100/- each.
- b) **Non-Current Assets & Non- Current Liabilities:** During the year under review, the Non-Current Assets and Non-Current Liabilities stood at ₹ 50479.84 Lacs and ₹ 27797.35 Lacs respectively ₹ 52215.05 Lacs and ₹ 28011.53 Lacs respectively in the last year.
- c) **Current Assets & Current Liabilities:** During the year under review, the Current Assets and Current Liabilities stood at ₹ 3831.86 Lacs and ₹ 4535.59 Lacs respectively against ₹ 4507.13 Lacs and ₹ 4899.91 Lacs respectively in the last year.
- d) **Key Financial Ratio (Standalone):**

Particulars	FY 2018-19	FY 2017-18	% change over previous year	Formula used	Reason for change of more than 25%
1. Debtors Turnover Ratio	25.78	25.52	1.02	Net Credit Sales / Average Debtors	-
2. Inventory Turnover Ratio	0.71	0.48	47.92	Cost of Goods Sold / Average Inventory	Sale of Property in the FY 2017-18
3. Interest Coverage Ratio	0.56	0.29	93.10	EBIT / Interest Expense	Better Earnings
4. Current Ratio	0.84	0.92	-8.70	Current Assets / Current Liabilities	-
5. Debt Equity Ratio	1.47	1.38	6.52	Debt / Equity	-
6. Operating Profit Margin (%)	17.18	9.29	84.93	EBIT / Total Revenue	Better Earnings
7. Net Profit Margin (%)	-11.73	-19.39	-39.50	Net Profit / Revenue from operations	Better Earnings
8. Return on Net Worth (%)	-4.76	-6.82	-30.21	Net Profit / Shareholders Equity	Better Earnings

**9. HUMAN RESOURCES**

Your Company has adequate human resources which is commensurate with the current volume of activity and is reviewed by the management periodically and the Company would induct competent personnel on increase / expansion of the activity.

**10. DISCLOSURE OF ACCOUNTING TREATMENT**

The Standalone and Consolidated Financial Statement for 2018-2019 have been prepared in accordance with applicable Indian Accounting Standards ("Ind AS") as Issued by Institute of Chartered Accountants of India and the provisions of the Act and the rules framed thereunder.

**11. 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 materially from those expressed or implied. Important factors that could make a difference to the Company's operations include interest rates and changes in the Government Regulations, tax regimes, economic developments and other factors such as litigations etc.



**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

**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 maximize 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 has a judicious mix of professionalism, knowledge and experience which provides strategic direction and thrust to the operations of the Company.

As on 31<sup>st</sup> March, 2019, the Board comprises of five (5) directors, all being non-executive out of which two are independent directors. Mrs. Asha Mehra is the woman Director on the Board of the Company. All Non-executive directors i.e Independent and Non Independent Director are proficient in their respective fields and bring with them decades of rich and

varied experience in Finance, Income Tax Laws, Money Market Operations, Hospitality, administration and management skills. The terms and Conditions of appointment of the Independent Director are available on the Company's website. Mr. Lalit Bhasin, Director (Promoter) is the Chairman and Non-Executive Director of the Company. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Four (4) Meetings of the Board of Directors of the Company were held during the year under review, i.e. on – 29<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019.

The necessary quorum was present for all the meetings.

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 Board Meetings and in AGM held during the year under review are given hereunder:

Name of the Director	Category	Directorships in other Public Companies as on 31 <sup>st</sup> March, 2019		#Committee Membership held in other Public Companies as on 31 <sup>st</sup> March, 2019		No. of Board Meetings attended/entitled during the year	Whether Attended last AGM	No. of Equity Shares held
		Director	Chairman	Member	Chairman			
Mr. Lalit Bhasin	Chairperson (Promoter Non Executive)	6	3	3	1	4/4	Yes	9962280
Mr. Anil Goyal	Non-Independent Non Executive	9	NIL	5	NIL	4/4	Yes	NIL
Mr. J.M.L. Suri	Non-Independent Non Executive	7	NIL	2	2	4/4	Yes	*709
Mr. Rajesh Jain	Independent Non-Executive	NIL	NIL	NIL	NIL	4/4	Yes	NIL
Mrs. Asha Mehra	Independent Non-Executive	1	NIL	NIL	NIL	4/4	Yes	NIL
Mr. Luv Malhotra	Independent Non-Executive	N.A.	N.A.	N.A.	N.A.	3/3	Yes	NIL

(\*) Jointly held with his wife

(\*\*) Resigned from the Board w.e.f. 18<sup>th</sup> January, 2019

(#) Comprises only Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies

Details of Directorships held in other listed entities by the Directors of the Company and the Category of their Directorship as on 31<sup>st</sup> March, 2019 is given as under:

Name of the Director	Directorships in other listed entities (Category of Directorship)
Mr. Lalit Bhasin	1. HB Stockholdings Ltd. (Non-Executive Non-Independent Director - Chairperson) 2. HB Portfolio Ltd. (Non-Executive Non-Independent Director - Chairperson) 3. HB Leasing & Finance Co. Ltd. (Non-Executive Non-Independent Director - Chairperson) 4. CHL Ltd. (Non-Executive Independent Director)
Mr. Anil Goyal	1. HB Stockholdings Ltd. (Non-Executive Non-Independent Director) 2. HB Portfolio Ltd. (Executive Director - MD) 3. HB Leasing & Finance Co. Ltd. (Executive Director - MD)
Mr. Jag Mohan Lal Suri	1. HB Portfolio Ltd. (Non-Executive Non-Independent Director)
Mrs. Asha Mehra	1. HB Stockholdings Ltd. (Non-Executive Independent Director)
Mr. Rajesh Jain	None

The number of Committees (Audit Committee and Stakeholder Relationship Committee) of Public Limited Companies in which a Director is a Member / Chairperson is within the limits provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for all the Directors of the Company. The number of Directorships of each Independent Director is also within the limits as prescribed under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other as defined in Section 2(77) of the Companies Act, 2013.

The Company had issued formal letter of appointment to the Independent Directors at the time of their appointment as per the provisions of Sec 149 read with Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company, [www.hbestate.com](http://www.hbestate.com)

In the opinion of the Board and based on the disclosures received, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.

In terms of the provisions of the existing Articles of Association of the Company, one-third of the Directors of the Company, who are liable to retire by rotation, shall retire at every Annual General Meeting. Accordingly, Mr. Anil Goyal, Director shall retire at the ensuing Annual General Meeting and who being eligible offers himself for re-appointment.

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice of the ensuing Annual General Meeting.

**3. CORE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS**

The Board comprises of qualified members who bring in the required skills, competence and expertise that enable them to make effective contributions to the Company's working. The

Board members have expertise and extensive experience in financial services, taxation, investments, capital markets, banking, hospitality, corporate restructuring, corporate governance, strategic planning, corporate administration and general management. They uphold ethical standards of integrity and probity and exercise their responsibility in the best interest of the Company and all stakeholders.

The Board comprises of members of varied age groups who demonstrate competence and experience required for the Company. Their diversity of experiences has a positive impact on deliberations on various matters placed before the Board setting the right direction for future strategy and plans. Sufficient time is devoted by them for informed and balanced decision-making.

All Directors are familiar with the Company's business, policies, culture (including the Mission, Vision and Values) and industry in which the Company operates.

The below chart / matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and board effectiveness:

**Key Board Skills / Expertise / Competencies:**

<b>Technical Expertise</b>	Education and experience in the areas of Hospitality, capital markets, banking and finance, administration, real estate, corporate governance.
<b>Risk Management</b>	Capability to identify, assess, and monitor the risks associated with market risk, credit risk, liquidity and Interest rate risk associated with the business of the Company.
<b>Corporate Governance</b>	Understanding of the relevant laws, rules, regulation policies applicable to the organisation/industry/sector in which the Company operates. Knowledge and understanding of organizations processes, strategic planning and observing appropriate governance practices.
<b>Strategic Decision making</b>	To develop insights about maintaining board and management accountability, protecting shareholder interests. Demonstrated strengths in developing business strategies, business transformation contributing to long-term growth.

**4. INDEPENDENT DIRECTORS MEETING:**

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management Representatives.

The Independent Directors met once during the Financial Year ended 31<sup>st</sup> March, 2019, on 12<sup>th</sup> February, 2019, inter alia, discussed and evaluated:

- the performance of Non-Independent Directors and the Board of Directors as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, the Company gave the presentation to the Independent Directors as a part of the familiarisation programme to make them aware about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business



model of the Company etc. The details of such familiarisation programme have been uploaded on the website of the Company, [www.hbstate.com](http://www.hbstate.com) having following web link, <http://www.hbstate.com/Investor%20Information/Corporate%20Governance/index.html>  
All the Independent Directors were present at the Meeting.

**5. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

The performance evaluation exercise has been carried out by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance. The performance of Individual Directors has been evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company, Shareholders etc. The Performance of Chairperson was being evaluated in terms of leadership qualities, effective management, maintaining cordial relationship with Board, Shareholders, employees, etc.

The Independent Directors in their meeting held on 12<sup>th</sup> February, 2019 have done necessary performance evaluation of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors. All the Independent Directors expressed their satisfaction with the performance of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company.

Mr. Lalit Bhasin, Chairman of the Company had discussion with all individual Directors in order to review the performance of the Independent Directors of the Company. The performance of the Independent Directors also found to be satisfactory during the period under review.

The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 12<sup>th</sup> February, 2019 expressed their satisfaction with the performance evaluation of all individual Directors being the Independent Directors, Non-Independent Directors, Chairperson, Board as a whole and its committees in terms of the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

**6. BOARD COMMITTEES:**

The terms of reference of the Board Committee(s), their composition and attendance of the respective members at the various Committee Meeting(s) held during the year 2018-2019 are set out below:

**(A) Audit Committee**

The Primary objective of the Audit Committee is to monitor and to provide effective supervision of the Management's financial reporting process with the view to ensuring accurate and timely disclosure, with the high level of transparency and quality reporting of financial reporting.

The Board of Directors in their meeting held on 20<sup>th</sup> December, 2001 had constituted the Audit Committee. The Committee was duly reconstituted on 25<sup>th</sup> October, 2008 and thereafter on 09<sup>th</sup> March, 2010.

The terms of reference of the Audit Committee was revised by the Board of Directors in their meeting held on 10<sup>th</sup> February, 2015 in terms of provisions of Section 177(4) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Further, the terms of reference of the Audit Committee has been partially amended by the Board of Directors in their meeting held on 10<sup>th</sup> February, 2016 and 12<sup>th</sup> February, 2019 in terms of Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present Audit Committee comprises of three Non-Executive Directors as members, out of which two are Independent Director. The Chairman of the Audit Committee is an Independent Director. There was no change in the constitution of Audit Committee during the year. The Audit Committee comprises of the following members:

- (i) Mrs. Asha Mehra, Chairperson (Independent Director),
- (ii) Mr. Rajesh Jain, Member (Independent Director)
- (iii) Mr. Jagmohan Lal Suri, Member (Non-Independent Director)

The Company Secretary acting as Secretary to the Committee.

The quorum for the Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors.

**The Audit Committee has been empowered, inter-alia, to carry out the following functions:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.

- d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. The Audit Committee shall mandatorily review the following information:
    - a) Management discussion and analysis of financial condition and results of operations;
    - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d) Internal audit reports relating to internal control weaknesses; and
    - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
    - f) Statement of deviations
      - (i) Quarterly statement of deviation(s) including Report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
      - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)
  21. Reviewing the utilization of loans and/or advances from / investment by the Holding Company in the Subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances / investments.
  22. The Audit Committee shall also have powers, which should include the following:
    - a) To investigate any activity within its terms of reference.
    - b) To seek information from any employee.
    - c) To obtain outside legal or other professional advice.
    - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
    - e) To consider and act on any matters as included under SEBI (Listing Obligations and Disclosure Requirements) 2015 and/or as may be so included from time to time, whether provided here in above or not.
    - f) 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.

**Meetings of the Audit Committee and attendance of members during the year**

During the year under review, four Audit Committee Meetings were held on 29<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019 and the same were attended by all Committee members as well as the Internal & Statutory Auditors of the Company



The Audit Committee plays a crucial role in running of the Corporate Governance Functions. During the year the roles and responsibility of the Audit Committee have been effectively carried out. The Audit Committee reviewed the financial operations and performance of the Company, interacted with the Statutory and Internal Auditors, considered the reports of the Auditors and provided its valuable suggestions and recommendations to the Board of Directors from time to time.

**(B) Nomination and Remuneration Committee**

The Committee has been entrusted with the responsibilities to review the increments and modify the terms and conditions of appointment/reappointment including remuneration, commission etc payable within the overall ceiling of the remuneration.

The Board of Directors in their meeting held on 21<sup>st</sup> April, 2004 had constituted the Remuneration Committee. The Committee was reconstituted on 29<sup>th</sup> November, 2004 and thereafter on 09<sup>th</sup> March, 2010.

The Board of Directors in their meeting held on 24<sup>th</sup> May, 2014 renamed the Committee as “**Nomination and Remuneration Committee**” and approved the revised terms of reference pursuant to the provisions of Section 177(4) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Further, the terms of reference of the Nomination and Remuneration Committee has been partially amended by the Board of Directors in their meeting held on 10<sup>th</sup> February, 2016 and 12<sup>th</sup> February, 2019 in terms of Regulation 19 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present Nomination and Remuneration Committee comprises of three Non-Executive Directors as members, out of which two are Independent Director. There was no change in the constitution of NRC during the year. The Nomination and Remuneration Committee comprises of the following members:

- (i) Mrs. Asha Mehra, Chairperson (Independent Director),
- (ii) Mr. Rajesh Jain, Member (Independent Director)
- (iii) Mr. Jagmohan Lal Suri, Member (Non-Independent Director)

The Company Secretary acting as Secretary to the Committee.

**The said Committee shall be empowered, inter-alia, to carry out the following functions:**

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for performance evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- f. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- g. To deal with any other matters related and / or incidental to the above or as may be assigned to the aforesaid by the Board from time to time.

During the year under review Two (2) Nomination and Remuneration Committee Meeting were held on 13<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019 and the same was attended by all the Committee Members.

Nomination and Remuneration Policy forms a part of the Directors Report as per Section 178(4) of the Companies Act, 2013.

**Remuneration paid to Non-executive Directors during the year ended 31<sup>st</sup> March, 2019 is summarized as under:**

(Amount in ₹)

Director	Relationship with other Directors	Sitting Fees Paid (₹)	Salary & Perks	Commission if any
Mr. Lalit Bhasin	N.A.	40,000/-	Nil	Nil
Mrs. Asha Mehra	N.A.	66,000/-	Nil	Nil
Mr. Anil Goyal	N.A.	57,500/-	Nil	Nil
Mr. J. M. L. Suri	N.A.	63,500/-	Nil	Nil
Mr. Rajesh Jain	N.A.	73,500/-	Nil	Nil
Mr. Luv Malhotra*	N.A.	30,000/-	Nil	Nil

(\*) Resigned from the Board w.e.f. 18<sup>th</sup> January, 2019

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board and no other remuneration is being paid to any of the Directors. 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.

Brief outline / salient features of the Nomination and Remuneration Policy including changes made therein during the year has been included in the Board’s Report. The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html>

**(C) Stakeholders Relationship Committee**

The Committee looks after the share transfer work besides redressal of shareholders complaints.

The Board of Directors had constituted Shareholders / Investor Grievance Committee in terms of the provisions of the erstwhile Listing Agreement and the Board of Directors in their meeting held on 24<sup>th</sup> May, 2014 and changed the nomenclature of the Shareholder / Investor Grievance Committee as “Stakeholders Relationship Committee” and approved the revised terms of reference pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Further, the terms of reference of the Stakeholders Relationship Committee has been partially amended by the Board of Directors in their meeting held on 12<sup>th</sup> February, 2019 in terms of Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee (SRC) consists of three Directors as members. The Chairman of the Committee is a Non-Executive Director. There was no change in the constitution of SRC during the year. The Stakeholders Relationship Committee comprises of following members:

- (i) Mr. J.M.L. Suri, Chairman (Non-Independent Director)
- (ii) Mr. Anil Goyal, Member (Non-Independent Director)
- (iii) Mr. Rajesh Jain, Member (Independent Director)

The Company Secretary acting as Secretary to the Committee who has also been designated as Compliance Officer of the Company.

**Stakeholders Relationship 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 dematerialization 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 consider, review and look into the redressal of grievances of shareholders, debenture holders and other security holders.
- 5. To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- 6. To consider and finalize 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.

During the year under review Five (5) Stakeholders Relationship Committee Meetings were held on 06<sup>th</sup> April, 2018; 06<sup>th</sup> July, 2018; 06<sup>th</sup> October, 2018; 18<sup>th</sup> October, 2018 and 09<sup>th</sup> January, 2019 and the same were attended by all the committee members.

**Number of Shareholders Complaints received and redressed during the year 2018-2019:**

Nature of Complaint	Received	Disposed Off	Pending
Non Receipt of Dividend	4	4	Nil
Non Receipt of Annual Report	1	1	Nil
Transfer, Transmission, Issue of Share Certificate etc.	5	5	Nil
Complaints Received through SEBI/Stock Exchange	3	3	Nil
<b>TOTAL</b>	<b>13</b>	<b>13</b>	<b>NIL</b>

**(D) Corporate Social Responsibility Committee**

The Board of Directors in its meeting held on 24<sup>th</sup> May, 2014, constituted the “**Corporate Social Responsibility Committee**” pursuant to the provisions of Section 135, Schedule VII of the Companies Act, 2013 and rules made thereunder.

The Corporate Social Responsibility Committee consists of three Directors as members out of which one Director is an Independent Director who is also the Chairman of the Committee. There was no change in the constitution of CSR Committee during the year. The Corporate Social Responsibility Committee comprises of following members:

- (i) Mrs. Asha Mehra, Chairperson (Independent Director)
- (ii) Mr. Rajesh Jain, Member (Independent Director)
- (iii) Mr. Anil Goyal, Member

**The Corporate Social Responsibility Committee has been empowered, inter-alia, to carry out the following functions:**

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

The Company does not come under the ambit of Corporate Social Responsibility



hence no Committee meeting was required to be held during the year under review.

**(E) Business Restructuring Committee:**

The Board of Directors in their meeting held on 06<sup>th</sup> February, 2013 constituted the “**Business Restructuring Committee**”. There was no change in the constitution of Business Restructuring Committee during the year.

The Business Restructuring Committee comprises of following members:

- (i) Mrs. Asha Mehra, Chairperson (Independent Director)
- (ii) Mr. Rajesh Jain, Member (Independent Director)
- (iii) Mr. Anil Goyal, Member (Non-Independent Director)

**The Committee has been empowered, inter-alia, to carry out the following functions:**

1. To analyze all the available options of capital restructuring, merger, demerger etc.
2. To analyze available options for restructuring the existing Capital base by inducing more funds.
3. To appoint consultants and to obtain opinion of professionals dealing in said fields on various options available for re-organization of the business of group companies and to place the opinion obtained from the said professionals before the Board of Directors of the Company.
4. To appoint Advocates & Legal Counsels for the drafting of Scheme of Amalgamation/ Arrangement.
5. To appoint valuer for obtaining the valuation report.
6. To place the Draft Scheme of Amalgamation/ Arrangement and valuation report before the Board of Directors of the Company.

During the year under review no meeting(s) of the Committee were held.

**(F) Securities Committee**

The Board of Directors in their meeting held on 12<sup>th</sup> December, 2014 constituted the “**Securities Committee**”. There was no change in the constitution of Securities Committee during the year.

The Securities Committee comprises of following members:

- (i) Mrs. Asha Mehra, Chairperson (Independent Director)
- (ii) Mr. Rajesh Jain, Member (Independent Director)
- (iii) Mr. Anil Goyal, Member (Non- Independent Director)

**The Committee has been empowered, inter-alia, to carry out the following functions:**

- a) To raise capital through further issuance and allotment of Securities including but not limited to Equity Shares and/or Convertible Preference Shares and/ or Fully Convertible Debentures (“FCDs”) and/or Non Convertible Debentures (“NCDs”) with warrants, Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”) and/or any other financial instruments convertible into or linked to Equity Shares through public issue(s), private placement(s) or a combination thereof, including issuance of Securities through a qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations for an aggregate amount to Rs. 250 Crores.
- b) To expedite the process of preparation and approval of offer documents/ information memorandum, fixing of terms and conditions including pricing, engaging of intermediaries etc. for various kinds of securities, at opportune times.
- c) Approving the draft / final offer documents, placement document and filing the same with any other authority or persons as may be required;
- d) Approving the issue price, payment terms, timings of the issue(s), the number of Securities to be issued, the basis of allocation and allotments of Securities;
- e) To affix the Common Seal of the Company on any agreement(s)/document(s) as may be required to be executed in connection with the above in accordance with the Company’s Articles of Association;
- f) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities;
- g) Opening such bank accounts and demat accounts as may be required for the offering;
- h) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- i) Making applications for listing of the Equity Shares of the Company on one or more of the stock exchange(s), within or outside India and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- j) To appoint consultants and to obtain opinion of professionals dealing in said fields on various options available to the Company and to place the opinion obtained from the said professionals before the Board of Directors of the Company;
- k) To appoint Advocates, Legal Counsels, Professional Consultants for the drafting of Offer documents/Information memorandum, notices, other legal papers / documents as may be required from time to time;
- l) To appoint valuer for obtaining the valuation report;
- m) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transaction.

- n) To delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee member or any other officer or officers of the Company as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transaction.
- o) To settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit.

During the year under review one (1) Securities Committee Meeting was held on 21<sup>st</sup> November, 2018 and the same was attended by all the committee members.

**7. GENERAL BODY MEETINGS**

**I. Details of Annual General Meetings:**

Location and time where the last three (3) AGM’s were held:

Year	Type	Location	Date	Time
2017-18	AGM	GIA House, I.D.C.,	25 <sup>th</sup> September, 2018	11.00 A.M.
2016-17	AGM	Mehrauli Road, Opp.: Sector 14, Gurugram -	29 <sup>th</sup> September, 2017	11.00 A.M.
2015-16	AGM	122 001 (Haryana)	20 <sup>th</sup> September, 2016	11.00 A.M.

**II. List of Special Resolutions passed in the previous 3 AGMs:**

S. No.	Special Resolution(s)	AGM/EGM
1	Issuance of Redeemable Non Cumulative Non Convertible Preference Shares – Series III	AGM 25 <sup>th</sup> September, 2018
2	Approve Alteration of Objects Clause of Memorandum of Association of the Company	AGM 25 <sup>th</sup> September, 2018
3	Entering into Related Party Transaction with HB Portfolio Limited	AGM 29 <sup>th</sup> September, 2017
4	Alteration of Memorandum of Association (MOA) of the Company	AGM 20 <sup>th</sup> September, 2016

E-voting facility was provided to all the members pursuant to the provisions of Section 108 of the Companies Act, 2013, rules made there under and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- III. Whether Special Resolutions were put through postal ballot last year: **No**
- IV. Whether any Special Resolution is proposed to be conducted through Postal Ballot: **No**

**8. MEANS OF COMMUNICATION**

- I. **Quarterly Results:** Dissemination through Listing Centre of Bombay Stock Exchange (BSE Limited), Company’s Website and through publication in newspaper as required under Regulation 47 of the SEBI (Listing Obligations and Disclosure) Regulations, 2015.
- II. **Newspaper wherein results normally published:** Business Standard (English) All India editions and Business Standard (Hindi) Delhi Edition.
- III. **Website where displayed:** [www.hbestate.com](http://www.hbestate.com)
- IV. The website also displays official Public Notices / Announcements containing important communications made to the Bombay Stock Exchange (BSE Limited). As and when any presentation is made to institutional investors the same would be simultaneously uploaded in the Company’s Website.

**9. DISCLOSURES**

- I. In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Company’s Policy on Related Party Transactions and with the approval of the Shareholders, the Company entered into material related party transaction with HB Portfolio Limited by issue and allotment of 2000000 (Twenty Lakhs) 9% Non-Cumulative Redeemable Preference Shares (Series III) of ₹ 100/- to HB Portfolio Limited on Private Placement basis to the Company aggregating to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) during the year under review.  
Apart from the above, there have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the Financial Statements for the financial year ended 31st March, 2019 (Refer Note No. 22 of the Notes to Accounts) forming part of the Financial Statements. The Policy on Related Party Transactions is available on the website of the Company having following web link <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html>
- II. No penalty has been imposed nor 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. The Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors is available on the <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html> website of the Company. No personnel have been denied access to the Audit Committee.
- IV. In line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have formulated a The Policy for Determining Material Subsidiaries is available on the website of the Company having following web link, ite viz. [www.hbestate.com](http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html) having following web link, <http://www.hbestate.com/Investor%20Information/Corporate%20Governance/index.html> As of now Company has no subsidiaries and there is no immediate applicability of the said policy.
- V. All the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) 2015, related to Corporate Governance are being adhered to / complied with.



- VI. The Director and Chief Financial Officer of the Company, have given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the financial year ended 31st March, 2019 to the Board of Directors as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VII. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable.
- VIII. A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority is attached and forms an integral part of this report.
- IX. The Board of Directors has duly accepted the recommendation of its Committee(s), wherever required in accordance with the provisions of applicable laws.
- X. Total fees paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditors is given as under:

(Amount in ₹)

Audit Fees	3,00,000
Tax Audit Fees	1,00,000
Limited Review Reports	75,000
Certification and others	10,000
<b>Total</b>	<b>4,85,000</b>

- XI Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given as under:

a. Number of complaints filed during the financial year	Nil
b. Number of complaints disposed of during the financial year	Nil
c. Number of complaints pending as on end of the financial year	Nil

- XII 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 [www.hbestate.com](http://www.hbestate.com). For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said code.
- XIII The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ADOPTION OF DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

- I. The Internal Auditor directly reports to the Audit Committee.

**10. GENERAL SHAREHOLDER INFORMATION**

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

Location	Date	Time
GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram (Haryana) – 122 001	19 <sup>th</sup> September, 2019	11.00 A.M.

- II. **Financial Year** : 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019
- III. **Date of Book Closure** : 13<sup>th</sup> September, 2019 to 19<sup>th</sup> September, 2019
- IV. **Dividend Payment Date** : No dividend is being declared for year under review.
- V. **Listing on Stock Exchanges** :  
The Company's Equity Shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Annual Listing Fee for the financial year 2019-2020 has been paid to BSE.

- VI. **Stock Code/ISIN**

The Company's scrip code at BSE Limited is 532334 (ISIN:INE640B01021).

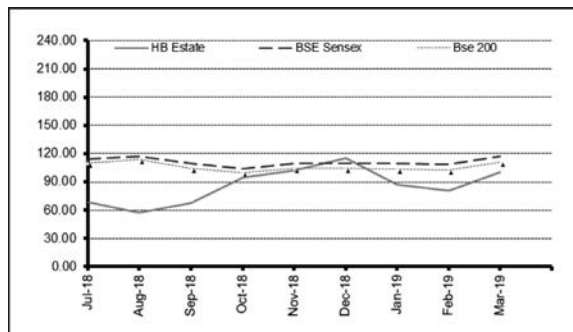
- VII. **Market Price Data:** The monthly High, Low and Close price during each month in the last financial year at BSE along with volume of shares traded during the months are as under:

Month	High	Low	Close	Volume
July 2018	25.05	25.05	20.5	3521
August 2018	19.5	21.85	20.65	193446
September 2018	20.05	21	15.6	102026
October 2018	14.85	16.35	14.85	36159
November 2018	15.59	19.29	13.95	53587
December 2018	13.38	15.89	15.68	183836
January 2019	16	16.45	12.6	38769
February 2019	12.1	15	13.55	183836
March 2019	14.8	19.8	19.74	113715

**Note:**

Data for the month of April to June, 2018 is not available since BSE Limited vide its Notice dated 28/02/2018 advised trading members not to deal in Equity Shares of the Company w.e.f 12/03/2018 for the purpose of implementing the Scheme of Arrangement duly sanctioned by the Hon'ble NCLT, Chandigarh Bench at Chandigarh. The trading in the Equity Shares of the Company admitted for trading on the Exchange w.e.f 26/07/2018.

**VIII. Performance in comparison to broad based indices**



**Stock Performance-Absolute returns vis-à-vis broad based indices**

	1 year
HB Estate	-3.71%
BSE Sensex	9.99%
BSE 200	3.90%

- IX. **Registrar and Transfer Agents:**

**RCMC Share Registry Pvt. Ltd.**

B-25/1, First Floor,  
Okhla Industrial Area, Phase-II,  
New Delhi – 110 020  
Phone: 011 – 26387320, 26387321  
Fax : 011 - 26387322  
E-mail: investor.services@rcmcdelhi.com

- X. **Share Transfer System**

Share Transfers are registered and returned within a period of thirty (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 the Director for transfer of shares up to a fixed number beyond which the matters are placed before the shareholders Committee, which meets as and when required. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.

- XI. **The distribution of shareholdings of the Company as on 31<sup>st</sup> March 2019 is as under:**

Shareholding of value of Rs.	Shareholders		Shareholding	
	No. of Shares	% to total	Shares	% to total
Up to 5000	77311	99.00	3481615	17.89
5001-10000	404	0.52	281192	1.44
10001-20000	192	0.25	260884	1.34
20001-30000	68	0.09	164526	0.85
30001-40000	31	0.04	104821	0.54
40001-50000	15	0.02	66286	0.34
50001-100000	29	0.04	198083	1.02
100001 and above	41	0.05	14902540	76.58
<b>TOTAL</b>	<b>78091</b>	<b>100.00</b>	<b>19459947</b>	<b>100.00</b>

**The category-wise distribution of Shareholders is as follows:**

Category	No of Shares held	% of Shareholding
<b>A. Promoters Holding</b>		
> Indian Promoter	12980787	66.70
> Foreign Promoters	0	0.00
<b>B. Public Shareholding (Institutions)</b>		
> Mutual Funds and UTI	2,733	0.01
> Banks/Financial Institutions	147	0.00
> Foreign Institutional Investors	0	0.00
<b>C. Public Shareholding (Non Institutions)</b>		
> Bodies Corporate	821087	4.22
> NRIs	137416	0.71
> Indian Public	4786564	24.60
> Clearing Member/ Intermediary	23702	0.12
> NBFC Registered with RBI	168	0.00
> Trust	9	0.00
> IEPF	707334	3.63
<b>Total</b>	<b>19459947</b>	<b>100.00</b>



**XII. Dematerialization of Share and Liquidity:**

Company's Shares are tradable compulsorily in the electronic form. 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 INE640B01021. As at 31st March 2019, 17619234 Equity Shares of the Company are held in dematerialized form constituting 86.84% of the Company's Paid up Equity Share Capital of ₹ 19,45,99,470/- comprising of 1,94,59,947 Equity shares of ₹ 10/- each.

As stipulated by SEBI, a qualified Practising Company Secretary carries out Audit of Reconciliation of Share Capital to reconcile the Total Admitted, Issued and Listed Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Bombay Stock Exchange (BSE).

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

XIV. **Compliance Officer:** Company Secretary of the Company acts as the Compliance Officer.

XV. List of all credit ratings obtained by the Company along with any revisions thereto during the financial year: Not Applicable

**XVI. Address for Correspondence:**

**HB Estate Developers Limited**  
The Company Secretary  
Plot No. 31, Echelon Institutional Area,  
Sector-32, Gurugram – 122 001, Haryana  
Ph.: 0124-4675500, Fax: 0124-4370985  
E-mail: corporate@hbestate.com

**DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

**The Members of**

**HB Estate Developers Limited.**

I, Jag Mohan Lal Suri, Director of the Company declare that all the members of the Board of Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct.

**For HB Estate Developers Limited**

Sd/-  
**JAG MOHAN LAL SURI**  
(Director)  
DIN: 00002373

Place : Gurugram  
Date : 27<sup>th</sup> May, 2019

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
HB Estate Developers Limited  
Gurugram

- We have examined the compliance of conditions of Corporate Governance by HB ESTATE DEVELOPERS LIMITED ("the Company"), for the financial year ended on March 31, 2019, as stipulated in Regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement entered into by the Company with the Stock Exchange.
- The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and 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 the above mentioned Listing Regulations.
- We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For G.C. Agarwal & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 017851N**

Place: Gurugram  
Date : 27<sup>th</sup> May, 2019

Sd/-  
**G.C. AGGARWAL**  
(Proprietor)  
Membership No.: 083820

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF HB ESTATE DEVELOPERS LIMITED**

(pursuant to Regulation 34(3) read with Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
HB Estate Developers Limited  
Plot No. 31, Echelon Institutional Area  
Sector – 32  
Gurugram – 122001 (Haryana)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HB ESTATE DEVELOPERS LIMITED** having CIN: L99999HR1994PLC034146 and having Registered Office at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram -122001, Haryana, (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal - www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India or any such Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Lalit Bhasin	00002114	20/09/1994
2	Mr. Anil Goyal	00001938	20/09/1994
3	Mr. Jag Mohan Lal Suri	00002373	20/09/1994
4	Mr. Asha Mehra	02658967	12/08/2009
5	Mr. Rajesh Jain	00031590	29/08/2007

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A.N. Kukreja & Co.**  
**Company Secretaries**

Place: New Delhi  
Date : 27<sup>th</sup> May, 2019

Sd/-  
**A.N. KUKREJA**  
(Proprietor)  
FCS 1070; CP 2318



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
HB ESTATE DEVELOPERS LIMITED**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statement of **HB ESTATE DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and its loss, total Comprehensive Income, its cash flows and the changes in Equity for the year ended on that date.

**Basis of Opinion**

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our Audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Key Audit Matters**

We have determined that there are no key Audit matter to communicate in our report.

**Information other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial position, Financial performance including other Comprehensive Income, cash flows and changes in Equity of the Company in accordance with the IND AS and other Accounting Principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibility**

Our Objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an Audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal Control.
- Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the Audit and significant Audit findings, including any significant deficiencies in internal control that we identify during our Audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the Audit of the Standalone Financial Statements for the Financial Year ended March 31, 2019 and are therefore the key Audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
- (e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2019 on its financial position in its Financial Statements – Refer Note No 49
  - The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2019
  - There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2019.
- (h) With respect to the matter to be included in the Auditor's Report under Section 197(16):  
The Company has not paid any managerial remuneration for the year ended 31st March, 2019 to its Directors.

**FOR G. C. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/-  
**G C AGARWAL**  
(PROPRIETOR)  
Membership No. 083820

PLACE : Gurugram  
DATED : 27/05/2019

**ANNEXURE - A**

The Annexure referred to in our report of even date to the members of **HB Estate Developers Limited** on the accounts for the year ended March 31, 2019

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets;
- (b) As explained to us, the management during the year has physically verified the Fixed Assets 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) The title deeds of Immovable Property are held in the name of the Company and the same are lying with the bank in connection with the borrowings made by the Company.
- As explained to us, Inventories have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of Inventory as compared to the book records were not material.
- (a) The Company has not granted during the year any Loans, Secured or Unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act'). However, in respect of one Company, the outstanding recoverable as at the beginning of the year was ₹1,41,96,182/- (Including interest receivable) and the maximum amount outstanding at any time during the year and year end balance is ₹ 2,64,76,182/- including interest receivable.
- In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, as applicable to it, with respect to the Loans and Investment made, to the extent applicable to the Company. As per the information and explanation given to us, the Company has not given any Guarantee or provided any Security in connection with a loan to any other body corporate or person.
- The Company has not accepted any Deposits from the Public.
- The nature of the Company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the Company.
- (a) According to the records of the Company, undisputed Statutory Dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods & Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other Statutory Dues to the extent and as applicable to the Company have been generally regularly deposited by the Company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date of becoming payable.
- (b) According to the records of the Company, the disputed Statutory Dues that have not been deposited on account of the matters pending before appropriate authorities as on 31st March, 2019 are as under:-
  - Property tax demand of ₹ 68,02,674/- 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 (refer note no.43.(i))
  - Vacant Land tax demand of ₹ 2,28,616/- which is being contested by Company in Delhi High Court. (refer note no.43.(i))
  - Ground Rent as explained in note no.43.(ii)
  - VAT/Sales tax demand of ₹ 16,17,09,502/- in note no. 43(i)
- In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of Loans/Borrowings from Bank/ Financial institution. There are no Loans or Borrowings taken by the Company from Government or Debenture Holders during the year.
- The Company did not raise any money by way of Initial Public Offer or Further Public Offer (including Debt Instruments) during the year. The Term Loans were applied for the purpose for which those were raised.
- In our opinion and according to the information and explanation given to us, no fraud by the Company or on the Company by its Officers or Employees has been noticed or reported during the course of our Audit.
- According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid any managerial remuneration during the year.
- In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the order is not applicable.
- According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the Related Parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- According to the information and explanations given to us and based on our examination of the record of the Company, the Company has made private placement of Preference shares during the year in compliance with the provision of Section 42 of the Act and the amount raised have been used for the purpose for which the funds were raised.
- According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, Paragraph 3(xv) of the order is not applicable.
- The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR G. C. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/-  
**G C AGARWAL**  
(PROPRIETOR)  
Membership No. 083820

PLACE : Gurugram  
DATED : 27/05/2019



Annexure referred to in our report of even date to the members of **HB Estate Developers Limited** on the Accounts for the year ended 31<sup>st</sup> March, 2019

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have Audited the Internal Financial Controls over Financial Reporting of **HB Estate Developers Limited** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our Audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company and the components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our Audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Standalone Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Control over Financial Reporting to future periods are subject to the risk that the Internal Financial Control over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control system over Financial Reporting and such Internal Financial Control over Financial Reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the Internal Control over Financial Reporting criteria established by the Company and the components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**FOR G. C. AGARWAL & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No.: 017851N**

**Sd/-**  
**G C AGARWAL**  
**(PROPRIETOR)**  
**Membership No. 083820**

**PLACE : Gurugram**  
**DATED : 27/05/2019**



BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	5	4473450468	4604797453
(b) Other Intangible Assets	6	1815698	2953177
(c) Financial Assets			
(i) Investments	7	140931862	215269435
(ii) Other Financial Assets	8	21351760	7015949
(d) Deferred Tax Assets (Net)	9	407095134	388024876
(e) Other Non Current Assets	10	3339220	3443964
		<b>5047984142</b>	<b>5221504854</b>
<b>Current Assets</b>			
(a) Inventories	11	138529757	172485945
(b) Financial Assets			
(i) Trade Receivables	12	34612102	32833620
(ii) Cash and Cash Equivalents	13	90348558	69841161
(iii) Other Bank Balances other than (ii) above	14	4270394	12288372
(iv) Loans	15	28118292	39417826
(v) Other Financial Assets	16	373054	904188
(c) Current Tax Assets (Net)	17	34088819	36972121
(d) Other Current Assets	18	52844965	85970382
		<b>383185941</b>	<b>450713615</b>
		<b>5431170083</b>	<b>5672218469</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Equity Share Capital	19	197336908	197336908
(b) Other Equity	20	2000538420	2183736918
		<b>2197875328</b>	<b>2381073826</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	2683870834	2705928949
(ii) Other Financial Liabilities	22	89913720	90494458
(b) Provisions	23	5950804	4729842
		<b>2779735358</b>	<b>2801153249</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	148944133	151298483
(ii) Trade Payables	25		
-Total outstanding dues of micro enterprises and small enterprises		3815342	1095533
-Total outstanding dues of creditors other than micro enterprises and small enterprises		117836541	152018029
(iii) Other Financial Liabilities	26	163886869	150834751
(b) Other Current Liabilities	27	17816471	33648250
(c) Provisions	28	1260041	1096348
		<b>453559397</b>	<b>489991394</b>
		<b>5431170083</b>	<b>5672218469</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 51		

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. : 083820

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN:00002373

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

PLACE : GURUGRAM (CHIEF FINANCIAL OFFICER)  
DATE : 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN:00001938

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.NO.: ACS-32557

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

Particulars	Note No.	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
Revenue from Operations	29	892200847	837787867
Other Income	30	15544437	9298466
<b>Total Revenue</b>		<b>907745284</b>	<b>847086333</b>
<b>Expenses:</b>			
Food and Beverages Consumed	31	82959423	81992017
Changes in inventories of Finished Goods / Stock-in-Trade	32	26798206	-
Employee Benefit Expense	33	195990778	196905676
Finance Costs	34	277029894	266860892
Depreciation and Amortization	5 & 6	141728862	143569791
Other Expenses	35	304298561	345908335
<b>Total Expenses</b>		<b>1028805724</b>	<b>1035236711</b>
<b>Profit/(Loss) for the year before Tax and Exceptional Items</b>		<b>(121060440)</b>	<b>(188150378)</b>
<b>Exceptional Items</b>		-	-
<b>Profit/(Loss) for the year before Tax and after Exceptional Items</b>		<b>(121060440)</b>	<b>(188150378)</b>
<b>Tax expense:</b>			
Current Tax		-	-
Income Tax Earlier Years		2161340	-
Deferred Tax		(18928787)	(25088319)
Total Tax Expense		(16767447)	(25088319)
<b>Profit/(Loss) for the year after Tax</b>		<b>(104292993)</b>	<b>(163062059)</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(485821)	892739
Income Tax effect on above		141471	(259966)
<b>Total Other Comprehensive Income</b>		<b>(344350)</b>	<b>632773</b>
<b>Total Comprehensive Income for the year</b>		<b>(104637343)</b>	<b>(162429286)</b>
<b>Earning per equity share:</b>	36		
<b>Equity share of Par value ₹ 10/-each</b>			
Basic		(5.36)	(8.38)
Diluted		(5.36)	(8.38)
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 51		

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. : 083820

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN:00002373

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

PLACE : GURUGRAM (CHIEF FINANCIAL OFFICER)  
DATE : 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN:00001938

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.NO.: ACS-32557


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Particulars	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax, Extraordinary Items	(121060440)	(188150378)
<b>Adjustment for :</b>		
Depreciation/Amortisation	141728862	143569791
Loss on Sale of Property, Plant and Equipments (Net)	341490	244150
Interest Income	(3981434)	(2349679)
Interest Expense	215849731	221372777
Interest Expense on fair valuation of security deposits	2450964	6266014
Interest Expense on Debt Component of Compounded Financial Instruments	44533580	28948804
Loss / (Gain) on Fair Valuation of Investments	4337573	(675951)
<b>Operating Profit before Working Capital Changes</b>	<b>284200324</b>	<b>209225528</b>
<b>Adjustments for :</b>		
Trade receivables	(1778482)	(2653721)
Loans and Advances and other Assets	38282027	84990140
Inventories	33956188	(5462629)
Trade Payables & other Liabilities	(113827257)	12777524
<b>Cash generated from Operations</b>	<b>240832800</b>	<b>298876842</b>
Direct Tax Paid	721961	(10311954)
<b>Net Cash from Operating Activities (A)</b>	<b>241554761</b>	<b>288564888</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	(9713007)	(6276320)
Sale of Property, Plant and Equipments	127119	2103108
Sale / (Purchase) of Investments (Net)	70000000	-
Interest Received	4442405	7058660
<b>Net Cash received in Investing Activities (B)</b>	<b>64856517</b>	<b>2885448</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(261491416)	(225205262)
Proceeds / (Repayment) from / of Long term Borrowings (Net)	(22058115)	(115137975)
Proceeds / (Repayment) from / of Short term Borrowings (Net)	(2354350)	52011149
<b>Net Cash used in Financing Activities (C)</b>	<b>(285903881)</b>	<b>(288332088)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>20507397</b>	<b>3118248</b>
<b>CASH &amp; CASH EQUIVALENTS</b>		
(OPENING BALANCE)	69841161	66722913
<b>CASH &amp; CASH EQUIVALENTS</b>		
(CLOSING BALANCE)	<u>90348558</u>	<u>69841161</u>
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
Cash in Hand	1209486	975354
<u>Balances with scheduled banks :</u>		
-In Current and Deposit Accounts	89139072	68865807
	<u>90348558</u>	<u>69841161</u>

Note: 1. Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)  
 2. Cash and Cash Equivalents consist of cash in hand and balances with banks.  
 3. Borrowings from banks is net of repayments.  
 4. Figures in brackets represent outflow of cash.

*The accompanying notes form an integral part of the Financial Statements*

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-

G C AGARWAL

(PROPRIETOR)

Membership No. : 083820

PLACE : GURUGRAM

DATE : 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-

J.M.L. SURI

(DIRECTOR)

DIN:00002373

Sd/-

PRAVEEN GUPTA

(CHIEF FINANCIAL OFFICER)

Sd/-

ANIL GOYAL

(DIRECTOR)

DIN:00001938

Sd/-

RADHIKA KHURANA

(COMPANY SECRETARY)

M.No.: ACS-32557



Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital\*\*

(Amount in ₹)

Particulars	Balance as at 31st March, 2017	Changes in Equity Share Capital during the year 2017-18	Balance as at 31st March, 2018	Changes in Equity Share Capital during the year 2018-19	Balance as at 31st March, 2019
Equity Share Capital	197336908	-	197336908	-	197336908

B. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus									Items of Other Comprehensive Income	Total
	Equity Component of Compound Financial Instruments*	Capital Reserve	Business Reorganization Reserve**	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
Balance as at March 31, 2017	296021327	23039795	1046662354	20000000	555742116	668199083	125903413	(397028715)	(125155)	2338414218	
Addition during the year	7751986	-	-	-	-	-	-	-	-	7751986	
Profit/ (Loss) for the year 2017-18	-	-	-	-	-	-	-	(163062059)	-	(163062059)	
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	632773	632773	
Balance as at March 31, 2018	303773313	23039795	1046662354	20000000	555742116	668199083	125903413	(560090775)	507619	2183736918	
Addition/ (Deduction) during the year	(78561156)	-	-	-	-	-	-	-	-	(78561156)	
Equity Component of Interest Free Loan Trfd to Retained Earning	(45899382)							45899382		-	
Profit/ (Loss) for the year 2018-19	-	-	-	-	-	-	-	(104292993)	-	(104292993)	
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	(344350)	(344350)	
Balance as at March 31, 2019	179312776	23039795	1046662354	20000000	555742116	668199083	125903413	(618484386)	163269	2000538420	

Significant Accounting Policies and notes to the Financial Statements

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

FOR AND ON BEHALF OF THE BOARD

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. : 083820

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN:00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN:00001938

PLACE : GURUGRAM  
DATE : 27.05.2019

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF FINANCIAL STATEMENT**

**1. CORPORATE AND GENERAL INFORMATION**

**HB Estate Developers Limited** ("HBEDL") or ("the Company") is domiciled and Incorporated in India. The Company is engaged in the Business of owning and managing hotels and real estate properties.

**2. BASIS OF PREPARATION**

The Financial Statements have been prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (as amended). The Financial Statements comply with IND-AS as notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the Accounting Policies used in the preparation for all periods presented.

The significant Accounting Policies used in preparing the financial statements are set out in Note no.3 of the Notes to the Financial Statements.

The preparation of the Financial Statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 BASIS OF MEASUREMENT**

The Financial Statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain Financial Assets and Liabilities carried at amortised cost,
- Defined benefit plans – plan assets measured at fair value,

The Standalone Financial Statements are presented in Indian Rupees, which is the Company's functional and presentation Currency and all amounts are rounded to the nearest Rupees.

**3.2 PROPERTY, PLANT AND EQUIPMENT**

- a) Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing Cost (if any) during the period of construction is added to the cost of eligible Tangible Assets.
- b) Depreciation is provided on Straight Line Method over the remaining useful life of the Assets in the manner prescribed in Schedule II of the Companies Act, 2013.
- c) The gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

**3.3 INTANGIBLE ASSETS**

Identifiable Intangible Assets are recognised:

- a) when the Company controls the Asset,
- b) it is probable that future economic benefits attributed to the Asset will flow to the Company and
- c) the cost of the Asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets useful lives are reviewed at each Financial Year end.

**3.4 IMPAIRMENT OF NON-CURRENT ASSETS**

An Asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the Asset, or where applicable the cash generating unit to which the Asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior Accounting Period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, Depreciation is provided on the revised carrying value of the Impaired Asset over its remaining useful life.

**3.5 CASH AND CASH EQUIPMENTS**

Cash and Cash Equivalents includes Cash on Hand and at Bank and other Short-term highly Liquid Investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents consists of cash and short term deposits.

**3.6 INVENTORIES**

Inventories (Real Estate) are valued at lower of cost and Net Realisable Value. Net Realisable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Stock of Food & Beverages and Stores and Operating Supplies are carried at cost or net realizable value whichever is lower.

**3.7 EMPLOYEE BENEFITS**

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave Encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Profit and Loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- d) The Cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in Statement of Profit and Loss.

**3.8 FOREIGN CURRENCY REINSTATEMENT AND TRANSLATION**

- a) Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (₹), which is the Company's functional and Presentation Currency.

- b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of Balance Sheet date and the resulting exchange difference recognised in Profit or Loss. Differences arising on settlement of monetary items are also recognised in Profit or Loss.

**3.9 FINANCIAL INSTRUMENTS – INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT**

A Financial Instrument is any contract that gives rise to a Financial Asset of one entity and a Financial Liability or equity instrument of another entity.

**FINANCIAL ASSETS**

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those Financial Assets and Liabilities and the Assets and Liabilities contractual Cash Flow characteristics.

Subsequent measurements of Financial Assets are dependent on initial categorisation. For impairment purposes significant Financial Assets are tested on an individual basis, other Financial Assets are assessed collectively in groups that share similar credit risk characteristics.

**TRADE RECEIVABLES**

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less Provision for Impairment.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of Financial Assets. The estimated Impairment losses are recognised in a separate Provision for Impairment and the Impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of Impairment are recognised in Provision for Impairment and the change in Impairment losses are recognised in the Statement of Profit and Loss within other expenses.



For Foreign Currency Trade Receivable, Impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of Trade Receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

**INVESTMENT IN EQUITY SHARES**

Investment in Equity Securities are initially measured at fair value and is recognised through Profit and Loss account.

**FINANCIAL LIABILITIES**

At initial recognition, all Financial Liabilities other than fair valued through Profit and Loss are recognised initially at fair value less transaction costs that are attributable to the issue of Financial Liability. Transaction costs of Financial Liability carried at fair value through Profit or Loss is expensed in Profit or Loss. However, borrowings which is likely to be assigned or negotiated are initially measured at fair value through Profit and Loss account. Other borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective Rate of Interest (EIR). The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

**TRADE AND OTHER PAYABLES**

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**3.10 BORROWING COSTS**

Borrowing Costs specifically relating to the acquisition or construction of qualifying Assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such Assets. Borrowing Costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying Asset, the amount of Borrowing Costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that Asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying Asset. The amount of Borrowing Costs capitalized during a period does not exceed the amount of Borrowing Cost incurred during that period.

All other Borrowing Costs are expensed in the period in which they occur.

**3.11 TAXATION**

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in Equity or other Comprehensive Income, in such cases the tax is also recognised directly in equity or in other Comprehensive Income. Any subsequent change in direct tax on items initially recognised in Equity or other Comprehensive Income is also recognised in Equity or other Comprehensive Income, such change could be for change in tax rate.

Current Tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current Tax Assets and Current Tax Liabilities are off set, and presented as net.

Deferred Tax is recognised on differences between the carrying amounts of Assets and Liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred Tax liabilities are generally recognised for all taxable temporary differences, and Deferred Tax Assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred Tax Assets and Deferred Tax Liabilities are off set, and presented as net.

The carrying amount of Deferred Tax Assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an Asset, the said Asset is created by way of a credit to the Profit and Loss Account and shown as MAT credit

entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**3.12 REVENUE RECOGNITION AND OTHER INCOME**

- a) Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- b) In respect of Real Estate Projects undertaken up to 31.03.2005, the Company continues to follow the complete project method of Accounting for projects. In respect of Real Estate Projects undertaken w.e.f. 1st April, 2005, the Revenue is recognised on Percentage Completion Method.
- c) 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.
- d) Income from services is accounted for on the basis of the bills raised on customers.
- e) 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.

**3.13 RECENT ACCOUNTING DEVELOPEMENT**

**STANDARDS ISSUED BUT NOT YET EFFECTIVE:**

IND AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

IND AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on Balance Sheet. The standard removes the current distinction between Operating and Finance Leases and requires recognition of an Asset (the right-of-use the leased term) and a Financial Liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value Assets. The Company is evaluating the same in the Financial Statement going forward.

**3.14 EARNINGS PER SHARE**

Basic Earnings Per Share are calculated by dividing the net Profit or Loss for the year attributable to Equity Shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of Equity Shares outstanding during the year. Partly paid Equity Shares are treated as a fraction of an Equity Share to the extent that they were entitled to participate in dividends relative to a fully paid Equity Share during the reporting year.

For the purpose of calculating diluted earnings per share, the net Profit or Loss for the year attributable to Equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares, if any.

**3.15 PROVISIONS AND CONTINGENCIES**

**PROVISIONS**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

**CONTINGENCIES**

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**3.16 OPERATING LEASE**

An Operating Lease is a lease other than a Finance Lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating Leases. Initial direct costs incurred in negotiating and arranging an Operating Lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Payments/receipts under Operating Lease are recorded in the Statement of Profit and Loss on



a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### 3.17 CURRENT/NON-CURRENT CLASSIFICATION

The Company presents Assets and Liabilities in statement of financial position based on Current/Non-Current Classification.

The Company has presented Non-Current Assets and Current Assets before Equity, Non-Current Liabilities and Current Liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An Asset is classified as Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current.

A Liability is classified as Current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as Non-Current.

The Operating Cycle is the time between the acquisition of Assets for processing and their realisation in Cash or Cash Equivalents.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

### 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the process of applying the Company's Accounting Policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the Financial Statement:

#### (a) INCOME TAXES

Management judgment is required for the calculation of provision for Income taxes and Deferred Tax Assets and Liabilities. The Company reviews at each Balance Sheet date the carrying amount of Deferred Tax Assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Financial Statements.

#### (b) CONTINGENCIES

Management judgement is required for estimating the possible outflow of resources, if any, in respect of Contingencies/Claim/Litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

#### (c) ALLOWANCE FOR UNCOLLECTED ACCOUNTS RECEIVABLE AND ADVANCES

Trade Receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the Financial Assets.

### 5. PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Land	Buildings	Plant and Equipments	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
<b>Gross Block</b>								
<b>As at March 31, 2017</b>	<b>2248040000</b>	<b>1782883611</b>	<b>440049908</b>	<b>394062403</b>	<b>953064</b>	<b>2782596</b>	<b>12553221</b>	<b>4881324804</b>
Additions	-	1500000	2281674	2365045	-	-	61601	6208320
Adjustment	-	8289	880295	1379895	179038	-	37886	2485404
<b>As at March 31, 2018</b>	<b>2248040000</b>	<b>1784375322</b>	<b>441451287</b>	<b>395047553</b>	<b>774026</b>	<b>2782596</b>	<b>12576936</b>	<b>4885047720</b>
Additions	-	2861754	6109938	530136	-	-	211179	9713007
Adjustment	-	-	-	1178661	-	-	-	1178661
<b>As at March 31, 2019</b>	<b>2248040000</b>	<b>1787237076</b>	<b>447,561,225</b>	<b>394,399,028</b>	<b>774026</b>	<b>2782596</b>	<b>12788115</b>	<b>4893582066</b>
<b>Accumulated Depreciation</b>								
<b>As at March 31, 2017</b>	-	<b>29533902</b>	<b>34324276</b>	<b>72467418</b>	<b>232016</b>	<b>651900</b>	<b>3346956</b>	<b>140556469</b>
Charge for the year	-	29638713	34394593	72574639	174651	651900	3058439	140492935
Adjustment	-	125	83858	628373	50789	-	35992	799137
<b>As at March 31, 2018</b>	-	<b>59172490</b>	<b>68635011</b>	<b>144413684</b>	<b>355878</b>	<b>1303800</b>	<b>6369403</b>	<b>280250267</b>
Charge for the year	-	29659224	34764237	72598611	174558	471142	2923612	140591384
Adjustment	-	-	-	710,053	-	-	-	710053
<b>As at March 31, 2019</b>	-	<b>88831714</b>	<b>103399248</b>	<b>216302242</b>	<b>530436</b>	<b>1774942</b>	<b>9293015</b>	<b>420131598</b>
<b>Net Carrying Amount</b>								
<b>As at March 31, 2018</b>	<b>2248040000</b>	<b>1725202832</b>	<b>372816276</b>	<b>250633869</b>	<b>418148</b>	<b>1478796</b>	<b>6207533</b>	<b>4604797453</b>
<b>As at March 31, 2019</b>	<b>2248040000</b>	<b>1698405362</b>	<b>344161977</b>	<b>178096786</b>	<b>243590</b>	<b>1007654</b>	<b>3495099</b>	<b>4473450468</b>


**6. INTANGIBLE ASSETS**

(Amount in ₹)

Particulars	Software	Total
<b>Gross Block</b>		
<b>As at March 31, 2017</b>	<b>10232718</b>	<b>10232718</b>
Additions	68000	68000
Adjustment	3558412	3558412
<b>As at March 31, 2018</b>	<b>6742306</b>	<b>6742306</b>
Additions	-	-
Adjustment	-	-
<b>As at March 31, 2019</b>	<b>6742306</b>	<b>6742306</b>

Particulars	Software	Total
<b>Accumulated Depreciation</b>		
<b>As at March 31, 2017</b>	<b>3609694</b>	<b>3609694</b>
Charge for the year	3076856	3076856
Adjustment	2897421	2897421
<b>As at March 31, 2018</b>	<b>3789129</b>	<b>3789129</b>
Charge for the year	1137479	1137479
Adjustment	-	-
<b>As at March 31, 2019</b>	<b>4926608</b>	<b>4926608</b>
<b>Net Carrying Amount</b>		
<b>As at March 31, 2018</b>	<b>2953177</b>	<b>2953177</b>
<b>As at March 31, 2019</b>	<b>1815698</b>	<b>1815698</b>

**7. NON CURRENT INVESTMENTS - Designated at Fair Value Through Profit and Loss Account**

Name of the Company	Face Value	As at 31st March, 2019		As at 31st March, 2018	
	(In ₹)	Qty (Nos)	Amount (In ₹)	Qty (Nos)	Amount (In ₹)
<b>A- Long Term - Trade - Unquoted</b>					
<b>In Equity Shares of Associates</b>					
Parsvnath HB Projects Pvt. Ltd.	10	24020	-	24020	-
<b>Total - (Trade Unquoted)</b>			-		-
<b>Aggregate Amount of Unquoted Instrument (A)</b>			-		-
<b>B1- Long Term - Other Than Trade - Quoted</b>					
Royal Orchid Hotels Ltd.	10	496	58577	496	79732
Bellary Steel and Alloys Ltd.*	1	100000	191000	100000	191000
Hotline Glass Ltd.*	10	10000	6100	10000	6100
Jaiprakash Power Ventures Ltd.	10	1543674	2871234	1543674	7409635
Shree Ram Urban Infrastructure Ltd.	10	1000	37000	1000	37000
<b>Total - (Other Than Trade Quoted)</b>			3163911		7723467
<b>Aggregate Amount of Quoted Instrument (B)</b>			3163911		7723467
<b>B2- Long Term - Other Than Trade - Unquoted</b>					
CHL (South) Hotels Ltd.	10	100000	10799873	100000	10816326
QR Properties Pvt Ltd	10	5900	5557626	5900	5164058
HB Prima Capital Ltd.	10	-	-	195000	257763
HB Corporate Services Ltd.	10	15600	153660	-	-
RRB Securities Ltd.	10	86100	1229508	86100	1291500
<b>B3- Investments in Mutual Fund</b>					
<b>Fully Paid up-Unquoted</b>					
Taurus Liquid Fund - Direct Plan - Super Institutional Growth (Taurus Dynamic Income Fund )	10	68	127284	68	116321
<b>Total-(Other Than Trade Unquoted)</b>			17867951		17645968
<b>Aggregate Amount of Un-Quoted Instrument (C )</b>			17867951		17645968
<b>B4- Investment in Preference Shares - Other Than Trade</b>					
<b>Fully Paid-Up Redeemable Preference Shares (Un-Quoted)</b>					
HB Securities Ltd. (6% Cumulative)	1000	-	-	10000	10000000
HB Growth Fund Ltd. (3% Non-cumulative)	10	50000	500000	50000	500000
HB Telecommunication Ltd. (3% Non-cumulative)	10	40000	400000	40000	400000
Gemini Portfolios Pvt. Ltd. (9% Non Cumulative)	100	-	-	600000	6000000
Venus Portfolio Pvt. Ltd. (9% Non Cumulative)	100	1190000	11900000	1190000	11900000
<b>Total- Preference Shares (D )</b>			119900000		189900000
<b>Grand Total - (A+B+C+D)</b>			140931862		215269435
<b>Aggregate Amount of Quoted Instrument</b>			3163911		7723467
<b>Aggregate Amount of Un-Quoted Instrument</b>			137767951		207545968
<b>Aggregate Market Value of Quoted Instrument</b>			3163911		7723467

(\*) Listed but not quoted



8. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Unsecured, Considered Good</b>		
Fixed Deposits with bank (with remaining maturity more than 12 months*)	9732782	1463736
Interest Accrued but not due on Fixed Deposits	80476	10313
Security Deposits	11538502	5541900
<b>Total</b>	<b>21351760</b>	<b>7015949</b>

(\*) Pledged/ under lien with banks including for issue of Bank Guarantees

9. DEFERRED TAX ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Temporary difference</b>		
<b>A. Deferred Tax Liability</b>		
(i) Difference between book and tax base related to fixed assets	222306503	212439313
(ii) Unamortised Cost	34536973	38670737
Total Deferred Tax Liabilities	256843476	251110050
<b>B. Deferred Tax Assets</b>		
(i) Disallowance under Income Tax Act	2801215	2073194
(ii) Carried Forward losses	661137395	637061732
Total Deferred Tax Assets	663938610	639134926
<b>Net Deferred Tax Assets</b>	<b>407095134</b>	<b>388024876</b>

10. OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Capital Advances	3339220	3443964
<b>Total</b>	<b>3339220</b>	<b>3443964</b>

11. INVENTORIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Completed Construction (Real Estate)	92593514	119391720
Food and Beverages	10930748	15539325
Stores and Operating Supplies	35005495	37554900
<b>Total</b>	<b>138529757</b>	<b>172485945</b>

12. TRADE RECEIVABLES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	34612102	32833620
Trade Receivables which have significant increase in Credit Risk	1658833	1532836
Trade Receivables - Credit impaired	-1658833	-1532836
<b>Total</b>	<b>34612102</b>	<b>32833620</b>

13. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
- On Current Accounts	55881987	68678103
- Cheques/ Demand Drafts in Hand	33257085	187704
- Cash in Hand	1209486	975354
<b>Total</b>	<b>90348558</b>	<b>69841161</b>

14. OTHER BANK BALANCES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
-In Earmarked Dividend Accounts	2132159	3154372
Fixed Deposits with remaining maturity of less than twelve months and other than considered in Cash and Cash Equivalents *	2138235	9134000
<b>Total</b>	<b>4270394</b>	<b>12288372</b>

(\*) Pledged/ under lien with banks including for issue of Bank Guarantees

15. LOANS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Unsecured, Considered Good</b>		
Laons Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured		
-Loans and Advances to Related Party- Associate*	26476182	14196182
-Inter Corporate Deposit including Accrued Interest	1642110	25221644
Loans Receivables which have significant increase in Credit Risk	-	-
<b>Loans Receivables - Credit Impaired</b>		
<b>Total</b>	<b>28118292</b>	<b>39417826</b>

\* To Parsvnath HB Projects Pvt. Ltd.

16. OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Interest accrued but not due on Bank deposits	373054	904188
<b>Total</b>	<b>373054</b>	<b>904188</b>

17. CURRENT TAX ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Current Tax Assets (Net of provision)	34088819	36972121
<b>Total</b>	<b>34088819</b>	<b>36972121</b>

18. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Amount Recoverable from Government Authorities*	5842213	6037349
Advances to Contractors/Suppliers/other Recoverables	47002752	73999493
Receivable from HB Portfolio Ltd. pursuant to Composite Scheme of Arrangement	-	5933540
<b>Total</b>	<b>52844965</b>	<b>85970382</b>

(\*) Represents VAT, GST, Cenvat Credit and Property Tax etc.



19. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>AUTHORIZED</b>		
3,50,00,000 (3,50,00,000) Equity Shares of Rs.10/- each.	350000000	350000000
1,35,00,000 (1,35,00,000) Redeemable Preference Shares of Rs.100/- each	1350000000	1350000000
	1700000000	1700000000
<b>ISSUED</b>		
2,02,89,285 (2,02,89,285) Equity Shares of Rs.10/- each.	202892850	202892850
	202892850	202892850
<b>SUBSCRIBED &amp; PAID UP</b>		
1,94,59,947 (1,94,59,947) Equity Shares of Rs.10/- each fully paid up	194599470	194599470
Add: Forfeited shares- 8,29,338 (March 31, 2018 - 8,29,338) Equity Shares	2737438	2737438
(Amount originally paid up)		
<b>Total</b>	197336908	197336908
19.1 Aggregate number of Bonus Shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date	Nil	Nil

19.2 Reconciliation of the number of Equity Shares and Share Capital:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	Amount (In ₹)	No of shares	Amount (In ₹)
Number of shares at the beginning	19459947	194599470	19459947	194599470
Addition during the Year	-	-	-	-
Number of shares at the end	19459947	194599470	19459947	194599470

-- Particulars of Shareholders holding more than 5% shares (Equity Shares) :

Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Lalit Bhasin	9962280	51.19	9927873	51.02
HB Portfolio Ltd.	2104317	10.81	2104317	10.81

19.3 Brief Particulars of change in Share Capital during the previous Financial Year 2017-18:

- (a) The Company had allotted Equity Shares of ₹ 10 (Rupees Ten) each fully paid-up to the Shareholders of HB Stockholdings Limited in the ratio of 24 (Twenty Four) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up of the Company for every 100 (One Hundred) Equity Shares held by them in HB Stockholdings Limited. The Company had also allotted Equity Shares of ₹ 10 (Rupees Ten) each fully paid-up to the Shareholders of HB Portfolio Limited in the ratio of 59 (Twenty Four) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up of the Company for every 100 (One Hundred) Equity Shares held by them in HB Portfolio Limited. As a result of which, the Equity Share capital of the Company increased from ₹ 16,13,82,870 comprising of 1,61,38,287 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up to ₹ 32,43,32,450 comprising of 3,24,33,245 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up. Thus 1,62,94,958 Equity Shares of ₹ 10 each fully paid up were issued and allotted pursuant to Composite Scheme of Arrangement.
- (b) After the allotment of Equity Shares by the Company to the Shareholders of HB Stockholdings Limited and HB Portfolio Limited the Equity Share capital of the Company had been reduced by reducing the face value of the Equity Shares from 1 (One) Equity Share of ₹ 10/- (Rupees Ten) fully paid up to 1 (One) Equity Shares of ₹ 6/- (Rupees Six) each fully paid up.

- (c) The Equity Share capital of the Company so reduced had been further consolidated in such a manner that the Shareholders holding 5 (Five) Equity Share of ₹ 6/- (Rupees Six) each fully paid up were allotted 3 (Three) Equity Share of ₹ 10/- (Rupees Ten) each fully paid up in the Equity Share capital of the Company. As a result of which, the Equity Share capital reduced from ₹ 32,43,32,450 comprising of 3,24,33,245 Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 19,45,99,470 comprising of 1,94,59,947 Equity Shares of ₹ 10/- (Rupees Ten) each.

20. OTHER EQUITY

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Capital Reserve</b>	23039795	23039795
	23039795	23039795
<b>Business Reorganization Reserve</b>	1046662354	1046662354
	1046662354	1046662354
<b>Capital Redemption Reserve</b>	20000000	20000000
	20000000	20000000
<b>Securities Premium Reserve</b>	555742116	555742116
	555742116	555742116
<b>General Reserve</b>	668199083	668199083
	668199083	668199083
<b>Statutory Reserve</b>	125903413	125903413
	125903413	125903413
<b>Equity Component of Compound Financial Instruments **</b>	303773313	296021327
Addition/(Deletion) during the year	-78561156	7751986
Equity Component of Interest Free Loan Trfd to Retained Earning	-45899382	-
	179312776	303773313
<b>Retained Earnings</b>	(560090775)	(397028715)
Equity Component of Interest Free Loan Trfd to Retained Earning	45899382	-
Profit/ (Loss) for the year	(104292993)	(163062059)
	(618484386)	(560090775)
<b>Items of Other Comprehensive Income</b>	507619	(125155)
Items that will not be reclassified to Profit and Loss		
Remeasurement of Defined Benefit Plans	(344350)	632773
	163269	507619
<b>Total</b>	2000538420	2183736918

Retained Earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represents the balance in Equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to profit and loss (ii) Items that will be reclassified to profit and loss.

Capital Redemption Reserve represents the Statutory Reserve created when Capital is redeemed.

The Statutory Reserve represents reserve specifically created u/s 45 IC of Reserve Bank of India (Amendment) Act, 1997

General Reserve represents the Statutory Reserve, in accordance with Indian Corporate law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend. However, under Companies Act, 2013 transfer of any amount to General Reserve is at the discretion of the Company.

Securities Premium represents the amount received in excess of par value of Securities (Equity Shares, Preference Shares and Debentures). Premium on redemption of Securities is accounted in Security Premium available. Where Security premium is not available, premium on redemption of Securities is accounted in statement of profit and loss. Section 52 of the Companies Act 2013 specify restriction and utilisation of Security Premium.



21. NON CURRENT BORROWINGS

Particulars	As at 31st March, 2019 (In ₹)		As at 31st March, 2018 (In ₹)	
	Non-Current	Current	Non-Current	Current
<b>(A) SECURED</b>				
<b>LOANS FROM BANK</b>				
(i) Term Loan from Yes Bank				
a) Facility 2	600447272	16000000	610550322	-
b) Facility 3	899001965	7500000	911929526	4000000
<b>Total-A</b>	<b>1499449237</b>	<b>23500000</b>	<b>1522479848</b>	<b>4000000</b>
<b>(B) UNSECURED</b>				
(i) Overdraft from State Bank of India	121484372	17200000	136765077	8600000
(ii) Term Loan from Religare Finvest Limited	-	-	45207336	2376040
(iii) Debt Component of Compounded Financial Instruments				
(a) Intercompany Loans & Advances	167260655	-	318117369	-
(b) Loan from Director	45676570	-	33359318	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares- Series I	150000000	-	150000000	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II	500000000	-	500000000	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series III -Tranche I	200000000	-	-	-
<b>Total-B</b>	<b>1184421597</b>	<b>17200000</b>	<b>1183449100</b>	<b>10976040</b>
<b>Total (A+B)</b>	<b>2683870834</b>	<b>40700000</b>	<b>2705928949</b>	<b>14976040</b>

- Maturity Profile of Secured Term Loan from banks are as under:

	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Term Loan from Yes Bank (II) (Rs. 68.20 Crore)	64000000	96000000	96000000	393862103
- Term Loan from Yes Bank (III) (Rs. 100 Crore)	37500000	40000000	58000000	832001846

- Maturity Profile of Unsecured Loans are as under:

	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Overdraft from State Bank of India	25700000	34300000	34300000	27871901

The term loans from Yes Bank at Sr. No. A (i) and Overdraft from State Bank of India at Sr No. B (i) above are net of transaction cost.

**Secured**

**(i) Term Loans From Yes Bank**

Secured by way of exclusive Charge on Company's Hotel land and Hotel building situated in Sector 44 Gurugram, exclusive Charge on all present and future moveable Fixed Assets and Current Assets of the project (Taj City Centre), personal guarantee of Director Mr. Lalit Bhasin, Non Disposal Undertaking (NDU) of entire shareholding of the Company held by Mr. Lalit Bhasin, negative lien on his entire shareholding in the Company for entire tenor of loan facility.

- The Term Loan - II repayable in 44 Quarterly Installments starting from February, 2016. Last installment due in November, 2026. The Rate of Interest is 1.45% over and above Bank's one year MCLR.
- The Term Loan - III repayable in 44 Quarterly Installments starting from November, 2018. Last installment due in August, 2029. The Rate of Interest is 1.45% over and above Bank's one year MCLR.

**Unsecured**

**(i) Overdraft Facility from State Bank of India**

Secured by way of equitable mortgage of Residential Property bearing no. C-2/7, Safdarjung Development Area, New Delhi belonging to Mr. Lalit Bhasin - Director of the Company and also his personal guarantee. The Rate of Interest is 3.05% over and

above Bank's one year MCLR. The total loan tenure is of 7 years 10 months. The loan is repayable in 27 quarterly unequal installments starting from 1st quarter of 2017-18 and last installment due in 3rd quarter of 2023-24.

**(ii) Debt Component of Compounded Financial Instruments**

The Loans are repayable after 6 years starting from Date of Agreement i.e. 01.04.2016 and carries interest @ 12% p.a.

22. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Security Deposits*	75577017	76154103
Interest Accrued but not due on fair valuation of security deposits	14336703	11885739
Other Liabilities	-	2454616
<b>Total</b>	<b>89913720</b>	<b>90494458</b>

(\*) Include due to related parties ₹ 69215763 ( ₹ 69215763)

23. NON CURRENT PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Provisions For Employees Benefit</b>		
Leave Encashment	2199262	2039339
Gratuity	3751542	2690503
<b>Total</b>	<b>5950804</b>	<b>4729842</b>

24. CURRENT BORROWINGS (SECURED)

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>From Banks</b>		
Overdraft Facility from YES Bank Limited *	148944133	151298483
<b>Total</b>	<b>148944133</b>	<b>151298483</b>

(\*) Secured by way of exclusive charge as specified in Note no. 21 in respect of term loan facilities from Yes Bank Ltd.

25. TRADE PAYABLES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Total outstanding dues of Micro Enterprises and Small Enterprises*	3815342	1095533
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	117836541	152018029
<b>Total</b>	<b>121651883</b>	<b>153113562</b>

**(\*) NOTE RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Principal Amount remaining unpaid at the end of the year	3815342	1095533
Interest Amount remaining unpaid at the end of the year	-	-
Amount of Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of Interest due and payable for the period of delay in making payment (in addition to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006)	-	-
Amount of Interest accrued and remained unpaid at the end of the year	-	-
Amount of further Interest remaining due and paid in the succeeding year	-	-
<b>Total</b>	<b>3815342</b>	<b>1095533</b>



26. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Current Maturities of Long term borrowings (Refer Note No.21)	40700000	14976040
Interest Accrued but not due on borrowings	15216610	14958913
Unclaimed Dividend *	2132159	3154372
Expenses Payable	38836629	47463589
Security Deposits	586352	747502
Interest Accrued but not due on fair valuation of loan	63960503	65326306
Other Liabilities	2454616	4208029
<b>Total</b>	<b>163886869</b>	<b>150834751</b>

(\*) There is no amount outstanding due to be transferred to Investor Education and Protection Fund.

27. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Advances from Customers	3621501	18554703
Statutory Dues Payable	14194970	10879098
Payable to HB Stockholdings Ltd. pursuant to Composite Scheme of Arrangement	-	4214449
<b>Total</b>	<b>17816471</b>	<b>33648250</b>

28. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Provisions For Employees Benefit</b>		
Leave Encashment	1260041	1096348
<b>Total</b>	<b>1260041</b>	<b>1096348</b>

29. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
<b>Hotel</b>		
Rooms	465348663	450008713
Food & Beverages, Restaurant and Banquet Income	345068107	332505651
Others	50130510	50102779
<b>Real Estate</b>		
Sales	26500000	-
Other Operating Income*	5153567	5170724
<b>Total</b>	<b>892200847</b>	<b>837787867</b>

(\*) Includes Rental Income, Facility Charges and Other Claims

30. OTHER INCOME

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest On Fixed Deposits with banks	877202	2349679
Interest On Income Tax Refund	3104232	-
Interest Income on ICD	7023782	-
Gain on Fair Valuation of Investments	-	675951
Other Income	331192	1738779
Rental Income on Fair Valuation of Security Deposit	4208029	4534056
<b>Total</b>	<b>15544437</b>	<b>9298465</b>

31. FOOD AND BEVERAGES CONSUMED

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Opening Stock	15539325	8557880
Add : Purchases	78350846	88973462
Less : Closing Stock	10930748	15539325
<b>Total</b>	<b>82959423</b>	<b>81992017</b>

32. INCREASE / DECREASE IN STOCK-COMPLETED CONSTRUCTION

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Opening Stock	119391720	119391720
Less : Closing Stock	92593514	119391720
<b>Total</b>	<b>26798206</b>	<b>-</b>

33. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Salaries and Benefits	108710479	106906259
Payment to Contractors	25426335	29581171
Reimbursement of expenses on personnel deputed to the Company	34758177	27749802
Contribution to Provident fund and other fund	6573790	6539201
Staff welfare	20521997	26129243
<b>Total</b>	<b>195990778</b>	<b>196905676</b>

34. FINANCE COSTS

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest	215849731	221372777
Loan Processing fee amortized during the year	14195619	10273297
Interest expense on fair valuation of Security Deposit	2450964	6266014
Interest expense on debt component of compound instruments	44533580	28948804
<b>Total</b>	<b>277029894</b>	<b>266860892</b>

35. OTHER EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Linen, Room, Catering and Other Supplies/Services	36596996	47601768
Facility Management Services	13182615	14100187
Legal and Professional	11595505	9826908
Payment to Orchestra Staff, Artists and Others	3490466	2952655
Communication	6029755	7326094
Commission to Travel Agents and Others	24223772	20673572
Advertisements	4383944	6106445
Printing and Stationery	4543040	4710102
Conveyance and Travelling	14066548	20021152



Particulars	For the Year ended 31st March, 2019 (In ₹)		For the Year ended 31st March, 2018 (In ₹)	
Repair and Maintenance :				
To Building	13910523		14474521	
To Machinery	14717705		11461538	
To others	18222243		16470420	
Fuel, Power and Light	66300037		67114022	
Listing Fees	250000		287500	
Insurance	2225455		2090447	
Subscription Fees	3328232		3414122	
Sitting Fees	324500		314400	
Miscellaneous Expenses	11149234		11413628	
Loss on fair valuation of Investments	4337573		-	
Provision for Doubtful Debts	125997		1202329	
Licence Fees	5640414		5893160	
Operating Fees	32970456		61800319	
Loss on sale of Fixed Assets	341490		244150	
Exchange rate Fluctuation (Net)	36649		66827	
Auditors' Remuneration				
- Audit Fees	300000	300000		
- Tax Audit Fees	100000	-		
- Limited Review Report	75000	35000		
- Certification and Others	10000	485000	33750	368750
Rates and Taxes	3389290		7825286	
Discount to Collecting Agents	8431122		8148033	
<b>Total</b>	<b>304298561</b>		<b>345908335</b>	

**36. EARNING PER SHARE (IN ₹):**

Particulars	Current Year (In ₹)	Previous Year (In ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss After Tax	(104292993)	(163062059)
Weighted Average Nos. of Equity Share Outstanding	19459947	19459947
<b>Earning Per Share (Face Value of ₹ 10 each)</b>		
<b>Basic and diluted Earning per share (₹)</b>		
- Basic	(5.36)	(8.38)
- Diluted	(5.36)	(8.38)

**37. FINANCIAL RISK MANAGEMENT**
**Financial Risk Factors**

The Company's principal Financial Liabilities, comprise Borrowings, Trade and other Payables. The main purpose of these Financial Liabilities is to manage finances for the Company's Operations. The Company has short term trade receivable and bank deposits which are under lien with banks for availing credit facilities. The Company's activities expose it to a variety of financial risks:

**i) MARKET RISK**

Market Risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market prices. Market prices comprise three types of Risk: Currency Rate Risk, Interest Rate Risk and other Price Risks, such as Equity Price Risk and Commodity Risk. Financial Instruments affected by Market Risk include Loans and Borrowings, Deposits and Investments. Foreign Currency Risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in foreign exchange rates. Interest Rate Risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates. This is based on the Financial Assets and Financial Liabilities held as of March 31, 2018 and March 31, 2019.

**ii) CREDIT RISK**

Credit risk is the risk that a counter party will not meet its obligations under a Financial Instrument or customer contract, leading to a Financial Loss.

**iii) LIQUIDITY RISK**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

**MARKET RISK**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the Non-Financial Assets and Liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective Market Risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in Foreign Currency exchange rates and interest rates. However, such effect is not material.

**(a) FOREIGN EXCHANGE RISK AND SENSITIVITY**

The Company transacts business primarily in Indian Rupee. However, the Company has transactions in USD, Euro, GBP and others. The Company has negligible foreign currency trade payables and is therefore, foreign exchange risk, is not material. There are no other foreign currency monetary items, so the company does not face any foreign exchange risk.

Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Net Foreign Exchange Loss Shown as Other Expenses	36649	66827

**(b) INTEREST RATE RISK AND SENSITIVITY**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at floating rate. Borrowing issued at variable rate expose the Company to cash flow interest rate risk. Weighted average cost of borrowing is 10.97% for the year ended 31<sup>st</sup> March, 2019 (10.80% for the year ended 31<sup>st</sup> March, 2018). With all other variable held constants the following table demonstrate the impact of borrowing cost on floating rate portion of loans and borrowing:

**INTEREST RATE SENSITIVITY**

Interest rate sensitivity	Increase/Decrease in basis points (In ₹)	Effect on profit before tax (In ₹)
<b>For the year ended March 31, 2019</b>		
INR borrowings	+50	96,45,900
	-50	-96,45,900
<b>For the year ended March 31, 2018</b>		
INR borrowings	+50	97,79,706
	-50	-97,79,706

**CREDIT RISK**

The Company is not significantly exposed to Credit Risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks which are under lien with banks for availing credit facilities.

**TRADE RECEIVABLES**

The Company extends credit to corporate customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. However, average credit period to customers is approximately fourteen days. The Company does not allow any credit period in respect of Walk-in Customers and is therefore not exposed to any credit risk.

**LIQUIDITY RISK**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall, promoters envisage to infuse capital and loans. The table below provides undiscounted cash flows towards non-derivative Financial Liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Particulars	Ageing as on 31st March 2019				
	Carrying Amount	Upto 1 Year	1 - 3 Year	More Than 3 Years	Total
Borrowings	2992117208	193644133	297500000	2500973075	2992117208
Trade Payable	121651883	121651883	-	-	121651883
Other Liabilities	213100589	0	89913720	-	89913720
<b>Total</b>	<b>3326869680</b>	<b>315296016</b>	<b>387413720</b>	<b>2500973075</b>	<b>3203682811</b>
Particulars	Ageing as on 31st March 2018				
	Carrying Amount	Upto 1 Year	1 - 3 Year	More Than 3 Years	Total
Borrowings	3005001332	166274523	186152080	2652574729	3005001332
Trade Payable	153113562	153113562	-	-	153113562
Other Liabilities	226353169	0	90494458	-	90494458
<b>Total</b>	<b>3384468063</b>	<b>319388085</b>	<b>276646538</b>	<b>2652574729</b>	<b>3248609352</b>

**UNUSED LINE OF CREDIT (EXCLUDING NON FUND BASED FACILITIES)**

Particulars	As on March 31, 2019 (In ₹)	As on March 31, 2018 (In ₹)
Secured	101055867	98701517
Unsecured	-	-
<b>Total</b>	<b>101055867</b>	<b>98701517</b>


**INTEREST RATE & CURRENCY OF BORROWINGS**

The below table demonstrate the borrowing of Fixed and Floating Rate of Interest

Particulars	Total Borrowings (In ₹)	Floating Rate Borrowings (In ₹)	Fixed Rate Borrowings (In ₹)	Weighted Average Rate of Borrowing (%)
INR	2992117208	1929179983	1062937225	10.97
<b>Total as at March 31, 2019</b>	<b>2992117208</b>	<b>1929179983</b>	<b>1062937225</b>	
INR	3005001332	1955941269	1049060063	10.80
<b>Total as at March 31, 2018</b>	<b>3005001332</b>	<b>1955941269</b>	<b>1049060063</b>	

**CAPITAL RISK MANAGEMENT**

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders.

The Capital Structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company's primary objective when managing capital is to ensure the amount of capital in proportion to risk and manage the Capital Structure in light of changes in economic conditions and the risk characteristics of the underlying Assets. In order to maintain or adjust the Capital Structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong Capital Structure with a focus on total Equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its Capital Structure.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net Debt is calculated as Loans and Borrowings less cash and cash equivalents.

The Gearing ratio for FY 2018-19 and 2017-18 is an under:

**GEARING RATIO**

Particulars	As of March 31, 2019 (In ₹)	As of March 31, 2018 (In ₹)
Loans and Borrowings	2873514967	2872203472
Less: Cash and Cash Equivalents	90348558	69841161
Net Debt	2783166409	2802362311
Equity	2197875328	2381073826
Total Capital	4981041737	5183436137
Gearing ratio	55.88%	54.06%

However, the company envisages to reduce its gearing ratio.

**38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's Financial Instruments that are recognised in the Financial Statements.

Particulars	As at March 31, 2019 (In ₹)		As at March 31, 2018 (In ₹)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets designated at Amortised Cost</b>				
Fixed Deposits with Banks	11871017	11871017	10597736	10597736
Cash and Bank balances	90348558	90348558	69841161	69841161
Investment	140931862	140931862	215269435	215269435
Trade Receivables	34612102	34612102	32833620	32833620
Other Financial Assets	42242482	42242482	49028598	49028598
	320006021	320006021	377570550	377570550
<b>Financial Liabilities designated at Amortised Cost</b>				
Borrowings- Fixed rate	1062937225	1062937225	1049060063	1049060063
Borrowings- Floating rate	1810577742	1810577742	1823143409	1823143409
Trade Payable	121651883	121651883	153113562	153113562
Other Financial Liabilities	213100589	213100589	226353169	226353169
	3208267439	3208267439	3251670203	3251670203

**FAIR VALUE HIERARCHY**

The Company measures Financial Instruments at fair value in accordance with the Accounting Policies mentioned above. Fair value is the price that would be received to sell an Asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the Asset or transfer the Liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices/NAV for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

When measuring the fair value of an Asset or a Liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an Asset or a Liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table provides the fair value measurement hierarchy of Company's Asset and Liabilities, grouped into Level 1 to Level 2 as described below:

**ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS (ACCOUNTED)**

Particulars	As on March 31, 2019 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Non Current Investments			
--Mutual Funds	127284	-	-
--Quoted Investment	3163911	-	-
--Un-Quoted Investment	-	17740667	-
<b>Total</b>	<b>3291195</b>	<b>17740667</b>	<b>-</b>

Particulars	As on March 31, 2018 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Non Current Investments			
--Mutual Funds	116321	-	-
--Quoted Investment	7723467	-	-
--Un-Quoted Investment	-	17529647	-
<b>Total</b>	<b>7839788</b>	<b>17529647</b>	<b>-</b>

**ASSETS/ LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED**

Particulars	As on March 31, 2019 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing - Fixed Rate	-	212937225	-
Other Financial Liabilities	-	213100589	-
<b>Total</b>	<b>-</b>	<b>426037814</b>	<b>-</b>

Particulars	As on March 31, 2018 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing - Fixed Rate	-	351476687	-
Other Financial Liabilities	-	226353169	-
<b>Total</b>	<b>-</b>	<b>577829856</b>	<b>-</b>

**39. SEGMENT INFORMATION**
**Information about Primary Segment**

The Company operates in a Single Primary Segment (Business Segment) i.e. Hotel Operations.

**Information about Geographical Segment – Secondary**

The Company's operations are located in India. The Management has not identified any geographical segment.

**40. DEFERRED INCOME TAX**

The Company has accounted for Deferred Tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed. The Company has also recognised Deferred Tax Asset on carried forward losses under IND-AS based on reasonable certainty.

The Analysis of Deferred Tax Assets and Liabilities provided for in Profit and Loss Account is s under:

**DEFERRED INCOME TAX**

Particulars	Year Ended March 31, 2019 (In ₹)	Year Ended March 31, 2018 (In ₹)
Book base and Tax base of Fixed Assets	9867190	3433908
Disallowance/ Allowance (net) under Income Tax	(4720315)	12006358
Carries forward losses	(24075662)	(40528585)
<b>Total</b>	<b>(18928787)</b>	<b>(25088319)</b>



Component of Tax accounted in OCI and Equity

Particulars	Year Ended March 31, 2019 (In ₹)	Year Ended March 31, 2018 (In ₹)
<b>Component of OCI</b>		
Deferred Tax (Gain)/ Loss on defined benefit plans	(141471)	259966
<b>Total</b>	<b>(141471)</b>	<b>259966</b>

41. RETIREMENT BENEFIT OBLIGATIONS

(a) EXPENSE RECOGNISED FOR DEFINED CONTRIBUTION PLAN

Particulars	For the Year ended March 31, 2019 (In ₹)	For the Year ended March 31, 2018 (In ₹)
Company's Contribution to Provident Fund	4350797	4311875
Company's Contribution to ESI	1098575	1143370
<b>Total</b>	<b>5449372</b>	<b>5455245</b>

Below tables sets forth the changes in the Projected Benefit Obligation and plan Assets and amounts recognized in the Balance Sheet as of March 31, 2018 and March 31, 2019, being the respective measurement dates:

(b) MOVEMENT IN OBLIGATION

Particulars	Gratuity (Funded) (In ₹)	Leave Encashment (Unfunded) (In ₹)
<b>Present value of Obligation-April 1, 2017</b>	<b>3759801</b>	<b>2128577</b>
Gratuity Liability Trfd on Scheme of Arrangement	593508	1705148
Current Service Cost	252758	151335
Interest Cost	(129001)	(606892)
Benefits Paid	(341019)	(39100)
Remeasurement - Actuarial loss / (gain)	(903489)	(203381)
<b>Present Value of Obligation - March 31, 2018</b>	<b>3232558</b>	<b>3135687</b>
<b>Present Value of Obligation - April 1, 2018</b>	<b>3232558</b>	<b>3135687</b>
Current Service Cost	685087	1145401
Interest Cost	236359	221368
Benefits Paid	(294220)	(777743)
Remeasurement - Actuarial Loss / (Gain)	474487	(265410)
<b>Present Value of Obligation - March 31, 2019</b>	<b>4334271</b>	<b>3459303</b>

(c) MOVEMENT IN PLAN ASSETS – GRATUITY

Particulars	For the Year ended March 31, 2019 (In ₹)	For the Year ended March 31, 2018 (In ₹)
<b>Fair Value of Plan Assets as beginning of year</b>	<b>542054</b>	<b>512116</b>
Expected Return on plan Assets	42009	39689
Employer Contributions	10000	130000
Benefits Paid	-	(129001)
Actuarial gain / (loss)	(11334)	(10,750)
<b>Fair Value of Plan Assets at end of year</b>	<b>582729</b>	<b>542054</b>
Present Value of Obligation	4334271	3232558
Present Value of Plan Assets	582729	542054
<b>Net Funded Status of Plan Assets</b>	<b>3751542</b>	<b>2690504</b>

The Components of the Gratuity & Leave Encashment cost are as follows:

(d) RECOGNISED IN PROFIT & LOSS

Particulars	Gratuity (Funded) (In ₹)	Leave Encashment (Unfunded) (In ₹)
Current Service Cost	593508	1705148
Interest Cost	252758	151335
Expected Return on Plan Assets	(39689)	-
Remeasurement - Actuarial Loss / (Gain)	(892739)	(203381)

For the Year Ended March 31, 2018	(86162)	1653102
Current Service Cost	685087	1145401
Interest Cost	236359	221368
Expected Return on Plan Assets	(42009)	-
Remeasurement - Actuarial Loss / (Gain)	474487	(265410)
<b>For the Year Ended March 31, 2019</b>	<b>1353924</b>	<b>1101359</b>

(e) RECOGNISED IN OTHER COMPREHENSIVE INCOME

Particulars	Gratuity (Funded) (In ₹)
Remeasurement - Actuarial Gain / (Loss)	
<b>For the Year Ended March 31, 2018</b>	<b>892739</b>
Remeasurement - Actuarial Gain / (Loss)	
<b>For the Year Ended March 31, 2019</b>	<b>(485821)</b>

(f) THE PRINCIPAL ACTUARIAL ASSUMPTIONS USED FOR ESTIMATING THE COMPANY'S DEFINED BENEFIT OBLIGATIONS ARE SET OUT BELOW:

Weighted Average Actuarial Assumptions	As at March 31, 2019	As at March 31, 2018
Discount Rate	6.75%	7.00%
Expected Rate of Increase in Salary	6.00%	6.00%
Expected Rate of Return on Plan Assets	0	0
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of Employees ( Years)	28.1	28.6

The assumption of future Salary increase takes into account the Inflation, Seniority, Promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2015-16 as considered in previous GAAP on transition to IND AS.

(g) SENSITIVITY ANALYSIS:

For the Year Ended March 31, 2018

Particulars	Change in Assumption	Effect on Gratuity Obligation (In ₹)	Change in Assumption	Effect on Leave Encashment obligation (In ₹)
Discount Rate	+ 1%	3016635	+ 1 %	2980210
	- 1%	3488659	- 1 %	3317745
Salary Growth Rate	+ 1%	3488036	+ 1 %	3317371
	- 1%	3013263	- 1 %	2977659
Attrition Rate	+ 1%	3224544	+ 1 %	3145720
	- 1%	3238666	- 1 %	3124029

For the Year Ended March 31, 2019

Particulars	Change in Assumption	Effect on Gratuity Obligation (In ₹)	Change in Assumption	Effect on Leave Encashment obligation (In ₹)
Discount Rate	+ 1%	4033583	+ 1 %	3290800
	- 1%	4688951	- 1 %	3656505
Salary Growth Rate	+ 1%	4688131	+ 1 %	3656134
	- 1%	4028999	- 1 %	3288203
Attrition Rate	+ 1%	4328897	+ 1 %	3469992
	- 1%	4337010	- 1 %	3446954

The above Sensitivity Analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the Sensitivity of the Defined Benefit Obligation to significant Actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the Defined Benefit Obligation recognised within the Balance Sheet.


**(h) ESTIMATE OF EXPECTED BENEFIT PAYMENTS**  
(In absolute terms i.e. undiscounted)

Particulars	Gratuity (Funded) (In ₹)
01 April 2019 to 31 March 2020	608444
01 April 2020 to 31 March 2021	1290983
01 April 2021 to 31 March 2022	1520909
01 April 2022 to 31 March 2023	1800834
01 April 2022 to 31 March 2024	1919730
01 April 2024 Onwards	2165225

**(i) STATEMENT OF EMPLOYEE BENEFIT PROVISION** Amount (in ₹)

Particulars	Year ended March 31, 2019 (In ₹)	Year ended March 31, 2018 (In ₹)
Gratuity	3751542	3232558
Leave Encashment	3459303	3135687
<b>Total</b>	<b>7210845</b>	<b>6368245</b>

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

**(j) CURRENT AND NON-CURRENT PROVISION FOR GRATUITY AND LEAVE ENCASHMENT**
**For the Year Ended March 31, 2018**

Particulars	Gratuity (In ₹)	Leave Encashment (In ₹)
Current Provision	-	1096348
Non Current Provision	2690504	2039339
<b>Total Provision</b>	<b>2690504</b>	<b>3135687</b>

**For the Year Ended March 31, 2019** Amount (in ₹)

Particulars	Gratuity (In ₹)	Leave Encashment (In ₹)
Current Provision	-	1260041
Non Current Provision	3751542	2199262
<b>Total Provision</b>	<b>3751542</b>	<b>3459303</b>

**(k) EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended March 31, 2019 (In ₹)	Year ended March 31, 2018 (In ₹)
Salaries and Wages	168894991	164237232
Cost-defined Contribution Plan	6573790	6539201
Welfare Expenses	20521997	26129243
<b>Total</b>	<b>195990778</b>	<b>196905676</b>

**Figures in No.**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Average No. of People Employed	227	242

**Other Comprehensive Income presentation of Defined Benefit Plan**

-Gratuity is Defined Benefit Plan, Re-measurement gains / (losses) on defined benefit plans is shown under Other Comprehensive Income as Items that will not be reclassified to Profit or Loss and also the Income Tax effect on the same.

-Leave Encashment Cost is in the nature of short term employee benefits.

**Presentation in Statement of Profit and Loss and Balance Sheet**

Expense for service cost, Net Interest on Net Defined Benefit Liability (Asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in Current and Non-Current, however Net Defined Liability (Assets) is shown as Current and Non-Current Provision in Balance Sheet as per IND AS 1.

Actuarial Liability for short term benefits (leave encashment cost) is shown as Current and Non-Current provision in Balance Sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

**42. OTHER DISCLOSURES**
**(a) Details of loans given, Investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.**

- Investment made and Loan given is disclosed under the Investment Schedule and Loan Schedule of Balance Sheet (refer note 7 & 15 read with note no. 44). The Company has not given any Guarantee.

**43. CONTINGENT LIABILITIES**
**i) DUTIES AND TAXES**

Particulars	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
Disputed Sales Tax	161709502	161709502
Property Tax*	7821151	7821151
Vacant Land Tax (Under Appeal in Delhi High Court)	228616	228616
<b>Total</b>	<b>169759269</b>	<b>169759269</b>

(\*) The Total Demand raised by MCD was ₹ 83,85,604/- (Previous Year ₹ 83,85,604/-). Against this, the Company deposited the Admitted Liability of ₹ 5,64,453/(Previous Year ₹ 5,64,453/-). For the balance amount of ₹ 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 ₹ 78,21,151/-. As per direction of Hon'ble Court the company paid a sum of ₹ 10,18,477/- against the aforesaid demand and stay has been granted for the balance amount. 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 ₹ 10,18,477/- paid by the Company is being shown as recoverable in the Balance Sheet under the head Short Term Loans and Advances.

**(ii) OTHER CONTINGENT LIABILITIES**

Particulars	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
Claim against the company not acknowledged as Debt	27755293	27755293
Letter of Credit/ Bank Guarantee issued by bank	2000000	3944000
Ground Rent*	-	-
<b>Total</b>	<b>29755293</b>	<b>31699293</b>

(\*) The Company had received a Show Cause Notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 258.68 Lacs (Excluding un-determined 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 14<sup>th</sup> 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 4<sup>th</sup> December, 2006 set-aside the matter to DDA for reconsideration. DDA vide Notice dated 12.01.2010 demanded a sum of ₹ 398.46 lacs (Excluding Interest) towards ground rent upto the period 14.07.2010. Aggrieved by the said demand, the Company again filed a writ petition in the Hon'ble High Court of Delhi which vide its order dated 31.05.2010 stayed the operations of the order of DDA subject to Company depositing a sum of ₹ 100 Lacs. As per the direction of Hon'ble High court, the Company has deposited the said amount of ₹ 100 lacs on 10.06.2010.

The matter is pending for final disposal by the Hon'ble Court. The Liability will be determined only after the disposal of matter by the Hon'ble High Court of Delhi; and therefore at this stage, in the opinion of management any further provision is neither considered necessary nor ascertainable. The effect of any arrear/ excess amount will be taken after the decision of the Hon'ble Court.

**44. RELATED PARTY TRANSACTIONS**

In accordance with the requirements of IND AS 24, on Related Party Disclosures, name of the Related Party, Related Party Relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

**RELATED PARTY NAME AND RELATIONSHIP**
**(a) Person having significant influence / control / major shareholders**

- (i) Mr. Lalit Bhasin

**(b) Key Managerial Personnel**

- (i) Mr. Praveen Gupta, CFO
- (ii) Ms. Radhika Khurana, Company Secretary


**(c) Enterprises over which significant influence /control exist of the Relatives of persons mentioned in (a) above**

(i) RRB Master Securities Delhi Ltd.

**(d) Enterprises under direct or indirect common control/significant influence of Key Managerial Person/ Relative of Key Managerial Person**

(i) HB Stockholdings Ltd.

(ii) HB Portfolio Ltd.

(iii) HB Securities Ltd. (Subsidiary of HB Portfolio Ltd.)

(iv) RRB Securities Ltd.

**(e) Enterprises under Joint Ventures/Associate Company**

(i) Parsvnath HB Projects Pvt. Ltd. - Associate

**RELATED PARTY TRANSACTIONS:**

Sr. No.	Particulars	Nature of Transaction	For the Year ended March 31, 2019 (In ₹)	For the Year ended March 31, 2018 (In ₹)
<b>Enterprises under direct or indirect common control / significant influence of Key Managerial Person / Relative of Key Managerial person</b>				
i	RRB Master Securities Delhi Ltd.	Rent Received	878173	863052
ii	HB Stockholdings Ltd.	Rent Received	861240	861240
		Amount paid pursuant to Composite Scheme of Arrangement paid during the year	4214449	-
iii	HB Portfolio Ltd.	Rent Received	861240	861240
		Issue of Preference Shares	200000000	-
		Amount received pursuant to Composite Scheme of Arrangement realized	5933540	-
iv	RRB Securities Ltd.	Rent Received	-	131560
		Security Deposit Repaid	-	5700000
v	HB Securities Ltd.	DP Charges Paid	1180	1150
		Redemption of Preference Shares	10000000	-
<b>Key Managerial Person/ Persons having significant influence/ control/ major shareholder</b>				
vi	Lalit Bhasin	Sitting Fees paid	40000	40000
		Loans Received	46000000	-
		Loans Repaid	20000000	41500000
vii	Praveen Gupta	Remuneration & other services	3770999	3743061
viii	Radhika Khurana	Remuneration & other services	568014	487313

**RELATED PARTY BALANCES:**

Particulars	Nature of Balance	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
<b>Key Managerial Person / Persons having significant influence / control / major shareholder</b>			
Lalit Bhasin	Loan including Accrued Interest	80000000	54000000

<b>Enterprises under direct or indirect common control/significant influence of Key Managerial Person / Relative of Key Managerial Person</b>			
RRB Master Securities Delhi Ltd.	Security Deposit	215763	215763
HB Stockholdings Ltd.	Security Deposit	34500000	34500000
	Payable pursuant to Composite Scheme of Arrangement	-	4214449
HB Portfolio Ltd.	Security Deposit	34500000	34500000
	Receivable pursuant to Composite Scheme of Arrangement	-	5933540
Parsvnath HB Projects Pvt Ltd	Loan including accrued Interest	26476182	14196182

**45. IMPAIRMENT REVIEW**

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other Assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other Assets.

The measurement of the cash generating units value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short-to- mid-term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

**Operating Margins:** Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

**Discount Rate:** Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

**Growth Rate:** The Growth rate used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

**Capital Expenditure:** The Cash flow forecasts of Capital Expenditure are based on past experience coupled with additional Capital Expenditure required

**46. (a) C.I.F. value of Imports**

Particulars	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
Stores and Operating Supplies	1149871	2629412
Capital Goods	1857156	1242485

**(b) Expenditure in foreign currency**

Particulars	Year ended March 31, 2019 (In ₹)	Year ended March 31, 2018 (In ₹)
Legal & Professional	262122	543345
Advertisement	1087048	1600124
Others	15913746	12718069



(c) Earning in Foreign Currency:

Particulars	Year ended March 31, 2019 (In ₹)	Year ended March 31, 2018 (In ₹)
Sale / Revenue	376475114	366827565

(d) Dividend paid in foreign currency- Nil (Previous Year Nil).

47. DISCLOSURE OF LOANS / ADVANCES IN THE NATURE OF LOANS IN TERMS OF PROVISION OF REGULATION 34 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Particulars	Outstanding Balance as on 31.03.2019 (In ₹)	Max. Balance outstanding during the Year (In ₹)	Outstanding Balance as on 31.03.2018 (In ₹)	Max. Balance outstanding during the Previous Year (In ₹)
Loans & Advances in the nature of Loans to Subsidiaries:-	Nil	Nil	Nil	Nil
Loans & Advances in the nature of Loans to Associates:- - Parsvnath HB Projects Pvt. Ltd.	26476182	26476182	14196182	14196182
Loans & Advances in the nature of Loans where there is no repayment schedule, no interest or interest below Section 372A of the Companies Act, 1956	Nil	Nil	Nil	Nil
Loans & Advances in the nature of Loans to Firms / Companies in which Directors are interested.	Nil	Nil	Nil	Nil
Investments by Loan in the Shares of Parent Company and Subsidiary Company when the Company has made Loan or Advance in the nature of Loan.	No. of Shares Nil	Amount Nil	No. of Shares Nil	Amount Nil

48. DETAIL OF CONSUMPTION OF IMPORTED AND INDEGENOUS ITEMS:

Particulars	Current Year		Previous Year	
	Amount (In ₹)	% of Consumption	Amount (In ₹)	% of Consumption
<b>(i) Raw Materials</b>				
Imported	0	0.00	0	0.00
Indigenous	82959423	100.00	81992017	100.00
<b>Total</b>	<b>82959423</b>	<b>100.00</b>	<b>81992017</b>	<b>100.00</b>
<b>(ii) Stores and Supplies</b>				
Imported	1365922	3.73	1069189	2.25
Indigenous	35231074	96.27	46532579	97.75
<b>Total</b>	<b>36596996</b>	<b>100.00</b>	<b>47601768</b>	<b>100.00</b>

49. PENDING LITIGATIONS

The Contingent Liability in respect of pending litigations is disclosed in note no. 43. In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the Company's results of operations or Financial Statements.

50. The Company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.

51. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

*The accompanying notes form an integral part of the Financial Statements*

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Firm Registration Number : 017851N

Sd/-

G C AGARWAL  
(PROPRIETOR)

Membership No. : 083820

Sd/-

J.M.L. SURI  
(DIRECTOR)

DIN:00002373

Sd/-

ANIL GOYAL  
(DIRECTOR)

DIN:00001938

Sd/-

PRAVEEN GUPTA

PLACE : GURUGRAM (CHIEF FINANCIAL OFFICER)

DATE : 27.05.2019

Sd/-

RADHIKA KHURANA  
(COMPANY SECRETARY)

M.NO.: ACS-32557

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

TO,  
THE MEMBERS OF  
HB ESTATE DEVELOPERS LIMITED

**Report on the Audit of the Consolidated Financial Statements****Opinion**

We have Audited the accompanying Consolidated Financial Statements (the "Consolidated Financial Statements") of **HB ESTATE DEVELOPERS LIMITED** ("the Company") and its Associate, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year ended, and a summary of significant Accounting Policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31<sup>st</sup> March, 2019, their Consolidated Loss (including Other Comprehensive Income), their Consolidated Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date

**Basis of Opinion**

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are Independent of the Group in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our Audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Key Audit Matters**

We have determined that there are no key audit matter to communicate in our Report.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The respective Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Consolidated Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and changes in Equity of the Company in accordance with the Ind AS and other Accounting Principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting records, relevant to the preparation and presentation of the Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the respective Board of Directors of the Companies included in the Group and its associate ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an Audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal Control.
- Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls System in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate Audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been Audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the Audits carried out by them. We remain solely responsible for our Audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the Audit and significant Audit findings, including any significant deficiencies in internal control that we identify during our Audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the Audit of the Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019 and are therefore the key Audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

The Consolidated Financial Statements include the Group's share of net loss of ₹ Nil /- for the year ended 31<sup>st</sup> March, 2019, as considered in the Consolidated Financial Statements. These Financial Statements / Financial Information have been Audited by other Auditors whose reports have been furnished to us by the Management and our opinion on /the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on the reports of the Auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law maintained by the Company, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended).
- e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the Directors of the Company is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group – Refer Note No. 49 of the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2019.
  - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2019.
- h. With respect to the matter to be included in the Auditor's Report under Section 197(16):  
The Group has not paid any managerial remuneration for the year ended 31<sup>st</sup> March, 2019 to its Directors.

**FOR G. C. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/  
G C AGARWAL  
(PROPRIETOR)  
Membership No. 083820

PLACE : GURUGRAM  
DATED : 27/05/2019

**ANNEXURE – A**

Referred to in paragraph 9(f) of the Independent Auditor's Report of even date to the Board of Directors of HB Estate Developers Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have Audited the Internal Financial Controls over Financial Reporting of HB Estate Developers Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our Audit of the Consolidated Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's Policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our Audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of Internal Financial Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Control over Financial Reporting to future periods are subject to the risk that the Internal Financial Control over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control system over Financial Reporting and such Internal Financial Control over Financial Reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR G. C. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/  
G C AGARWAL  
(PROPRIETOR)  
Membership No. 083820

PLACE : GURUGRAM  
DATED : 27/05/2019



# HB ESTATE DEVELOPERS LIMITED (Consolidated Financial Statements)

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	5	4473450468	4604797453
(b) Other Intangible Assets	6	1815698	2953177
(c) Financial Assets			
(i) Investments	7	140931862	215269435
(ii) Other Financial Assets	8	21351760	7015949
(d) Deferred Tax Assets (Net)	9	407095134	388024876
(e) Other Non Current Assets	10	3339220	3443964
		<u>5047984142</u>	<u>5221504854</u>
<b>Current Assets</b>			
(a) Inventories	11	138529757	172485945
(b) Financial Assets			
(i) Trade Receivables	12	34612102	32833620
(ii) Cash and Cash Equivalents	13	90348558	69841161
(iii) Other Bank Balances other than (ii) above	14	4270394	12288372
(iv) Loans	15	28118292	39417826
(v) Other Financial Assets	16	373054	904188
(c) Current Tax Assets (Net)	17	34088819	36972121
(d) Other Current Assets	18	52844965	85970382
		<u>383185941</u>	<u>450713615</u>
		<u>5431170083</u>	<u>5672218469</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Equity Share Capital	19	197336908	197336908
(b) Other Equity	20	2000538420	2183736918
		<u>2197875328</u>	<u>2381073826</u>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	2683870834	2705928949
(ii) Other Financial Liabilities	22	89913720	90494458
(b) Provisions	23	5950804	4729842
		<u>2779735358</u>	<u>2801153249</u>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	148944133	151298483
(ii) Trade Payables	25		
-Total outstanding dues of micro enterprises and small enterprises		3815342	1095533
-Total outstanding dues of creditors other than micro enterprises and small enterprises		117836541	152018029
(iii) Other Financial Liabilities	26	163886869	150834751
(b) Other Current Liabilities	27	17816471	33648250
(c) Provisions	28	1260041	1096348
		<u>453559397</u>	<u>489991394</u>
		<u>5431170083</u>	<u>5672218469</u>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 53		

The accompanying notes form an integral part of the Consolidated Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. : 083820

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN:00002373

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

PLACE : GURUGRAM (CHIEF FINANCIAL OFFICER)  
DATE : 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN:00001938

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.NO.: ACS-32557

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

Particulars	Note No.	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
Revenue from Operations	29	892200847	837787867
Other Income	30	15544437	9298466
<b>Total Revenue</b>		<u>907745284</u>	<u>847086333</u>
<b>Expenses:</b>			
Food and Beverages Consumed	31	82959423	81992017
Changes in inventories of Finished Goods / Stock-in-Trade	32	26798206	-
Employee Benefit Expense	33	195990778	196905676
Finance Costs	34	277029894	266860892
Depreciation and Amortization	5 & 6	141728862	143569791
Other Expenses	35	304298561	345908335
<b>Total Expenses</b>		<u>1028805724</u>	<u>1035236711</u>
<b>Profit/(Loss) for the year before Tax and Exceptional Items</b>		<u>(121060440)</u>	<u>(188150378)</u>
<b>Exceptional Items</b>		-	-
<b>Profit/(Loss) for the year before Tax and after Exceptional Items</b>		<u>(121060440)</u>	<u>(188150378)</u>
<b>Tax expense:</b>			
Current Tax		-	-
Income Tax Earlier Years		2161340	-
Deferred Tax		(18928787)	(25088319)
<b>Total Tax Expense</b>		<u>(16767447)</u>	<u>(25088319)</u>
<b>Profit/(Loss) for the year after Tax</b>		<u>(104292993)</u>	<u>(163062059)</u>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Profit or Loss			
Re-measurement gains (losses) on defined benefit plans		(485821)	892739
Income Tax effect on above		141471	(259966)
<b>Total Other Comprehensive Income</b>		<u>(344350)</u>	<u>632773</u>
<b>Total Comprehensive Income for the year</b>		<u>(104637343)</u>	<u>(162429286)</u>
<b>Earning per equity share:</b>	36		
<b>Equity share of Par value ₹ 10/-each</b>			
Basic		(5.36)	(8.38)
Diluted		(5.36)	(8.38)
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 53		

The accompanying notes form an integral part of the Consolidated Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. : 083820

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN:00002373

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

PLACE : GURUGRAM (CHIEF FINANCIAL OFFICER)  
DATE : 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN:00001938

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.NO.: ACS-32557

# HB ESTATE DEVELOPERS LIMITED (Consolidated Financial Statements)



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax, Extraordinary Items	(121060440)	(188150378)
<b>Adjustment for :</b>		
Depreciation/Amortisation	141728862	143569791
Loss on Sale of Property, Plant and Equipments (Net)	341490	244150
Interest Income	(3981434)	(2349679)
Interest Expense	215849731	221372777
Interest Expense on fair valuation of security deposits	2450964	6266014
Interest Expense on Debt Component of Compounded Financial Instruments	44533580	28948804
Loss / (Gain) on Fair Valuation of Investments	4337573	(675951)
<b>Operating Profit before Working Capital Changes</b>	<b>284200324</b>	<b>209225528</b>
<b>Adjustments for :</b>		
Trade receivables	(1778482)	(2653721)
Loans and Advances and other Assets	38282027	84990140
Inventories	33956188	(5462629)
Trade Payables & other Liabilities	(113827257)	12777524
<b>Cash generated from Operations</b>	<b>240832800</b>	<b>298876842</b>
Direct Tax Paid	721961	(10311954)
<b>Net Cash from Operating Activities (A)</b>	<b>241554761</b>	<b>288564888</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	(9713007)	(6276320)
Sale of Property, Plant and Equipments	127119	2103108
Sale / (Purchase) of Investments (Net)	70000000	0
Interest Received	4442405	7058660
<b>Net Cash received in Investing Activities (B)</b>	<b>64856517</b>	<b>2885448</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(261491416)	(225205262)
Proceeds / (Repayment) from / of Long term Borrowings (Net)	(22058115)	(115137975)

Particulars	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
Proceeds / (Repayment) from / of Short term Borrowings (Net)	(2354350)	52011149
<b>Net Cash used in Financing Activities (C)</b>	<b>(285903881)</b>	<b>(288332088)</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>	<b>20507397</b>	<b>3118248</b>
<b>CASH &amp; CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>69841161</b>	<b>66722913</b>
<b>CASH &amp; CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>90348558</b>	<b>69841161</b>
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
Cash in Hand	1209486	975354
Balances with scheduled banks : -In Current and Deposit Accounts	89139072	68865807
	<b>90348558</b>	<b>69841161</b>

- Note: 1. Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)  
2. Cash and Cash Equivalents consist of Cash in hand and balances with Banks.  
3. Borrowings from Banks is net of repayments.  
4. Figures in brackets represent outflow of Cash.

The accompanying notes form an integral part of the Consolidated Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820	Sd/- J.M.L. SURI (DIRECTOR) DIN:00002373	Sd/- ANIL GOYAL (DIRECTOR) DIN:00001938
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Sd/- PRAVEEN GUPTA (CHIEF FINANCIAL OFFICER) DATE : 27.05.2019	Sd/- RADHIKA KHURANA (COMPANY SECRETARY) M.No.: ACS-32557
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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

A. Equity Share Capital (Amount in ₹)

Particulars	Balance as at 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March, 2018	Changes in equity share capital during the year 2018-19	Balance as at 31st March, 2019
Equity Share Capital	197336908	-	197336908	-	197336908

B. Other Equity (Amount in ₹)

Particulars	Reserves and Surplus									Items of Other Comprehensive Income	Total
	Equity Component of Compound financial instruments*	Capital Reserve	Business Reorganization Reserve**	Capital Redemption Reserve	Securities Premium	General Reserve	Statutory Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
Balance as at March 31, 2017	296021327	23039795	1046662354	20000000	555742116	668199083	125903413	(397028715)	(125155)	2338414218	
Addition during the year	7751986	-	-	-	-	-	-	-	-	7751986	
Profit/ (Loss) for the year 2017-18	-	-	-	-	-	-	-	(163062059)	-	(163062059)	
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	632773	632773	
Balance as at March 31, 2018	303773313	23039795	1046662354	20000000	555742116	668199083	125903413	(560090775)	507619	2183736918	
Addition/ (Deduction) during the year	(78561156)	-	-	-	-	-	-	-	-	(78561156)	
Equity Component of Interest Free Loan Trfd to Retained Earning	(45899382)	-	-	-	-	-	-	45899382	-	-	
Profit/ (Loss) for the year 2018-19	-	-	-	-	-	-	-	(104292993)	-	(104292993)	
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	(344350)	(344350)	
Balance as at March 31, 2019	179312776	23039795	1046662354	20000000	555742116	668199083	125903413	(618484386)	163269	2000538420	

The accompanying notes form an integral part of the Consolidated Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. : 083820

PLACE : GURUGRAM  
DATE : 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/- J.M.L. SURI (DIRECTOR) DIN:00002373	Sd/- ANIL GOYAL (DIRECTOR) DIN:00001938
Sd/- PRAVEEN GUPTA (CHIEF FINANCIAL OFFICER)	Sd/- RADHIKA KHURANA (COMPANY SECRETARY) M.No.: ACS-32557



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF CONSOLIDATED FINANCIAL STATEMENT

### 1. CORPORATE AND GENERAL INFORMATION

HB Estate Developers Limited ("HBEDL") or ("the Company") is domiciled and incorporated in India. The Company is engaged in the Business of owning and managing hotels and real estate properties.

The Company has one associate namely Parsvnath HB Projects Private Limited wherein company's share is 49% and is doing business of real estate.

### 2. BASIS OF PREPARATION

The Consolidated Financial comprise of Standalone Financial Statements along with its one Associate and has been prepared in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The Consolidated Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company and its associate has consistently applied the accounting policies used in the preparation for all periods presented.

The significant Accounting Policies used in preparing the Consolidated Financial Statements are set out in Note no.3 of the Notes to the Consolidated Financial Statements.

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.4 on critical Accounting estimates, assumptions and judgements).

### BASIS OF CONSOLIDATION

The Consolidated Financial Statements related to HB Estate Developers Ltd and its Associate Company Parsvnath HB Projects Pvt Ltd. The Consolidated Financial Statements have been prepared on the following principles:

Interest in Associate is consolidated using Equity Method as per IND AS 28 – 'Investment in Associates and Joint Ventures'. Under the Equity method, post-acquisition attributable profit/losses are adjusted in the carrying value of investment upto the investment in the Associate.

The Consolidated Financial Statements have been prepared using uniform Accounting Policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 BASIS OF MEASUREMENT

The Consolidated Financial Statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain Financial Assets and Liabilities carried at amortised cost,
- Defined benefit plans – plan assets measured at fair value,

The Consolidated Financial Statements are presented in Indian Rupees, which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupees.

#### 3.2 PROPERTY, PLANT AND EQUIPMENT

- a) Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing Cost (if any) during the period of construction is added to the cost of eligible Tangible Assets.
- b) Depreciation is provided on Straight Line Method over the remaining useful life of the assets in the manner prescribed in Schedule II of the Companies Act, 2013.
- c) The gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

#### 3.3 INTANGIBLE ASSETS

Identifiable Intangible Assets are recognised:

- a) When the Company and its associate controls the Asset,
- b) It is probable that future economic benefits attributed to the Asset will flow to the Company and its Associate and

- c) The Cost of the Asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

#### 3.4 IMPAIRMENT OF NON-CURRENT ASSETS

An Asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior Accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

#### 3.5 CASH AND CASH EQUIPMENTS

Cash and Cash Equivalents includes Cash on hand and at bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents consists of cash and short term deposits.

#### 3.6 INVENTORIES

Inventories (real estate) are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Stock of Food & Beverages and stores and operating supplies are carried at cost or net realizable value whichever is lower.

#### 3.7 EMPLOYEE BENEFITS

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

#### 3.8 FOREIGN CURRENCY REINSTATEMENT AND TRANSLATION

- (a) Functional and presentation currency

The Consolidated Financial Statements have been presented in Indian Rupees (₹), which is the Company and its Associate's functional and presentation currency.

- (b) Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company and its associate at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

#### 3.9 FINANCIAL INSTRUMENTS – INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### FINANCIAL ASSETS

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and liabilities and the assets and liabilities contractual cash flow characteristics.



Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

**TRADE RECEIVABLES**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

**INVESTMENT IN EQUITY SHARES**

Investment in equity securities are initially measured at fair value and is recognised through Profit and Loss account.

**FINANCIAL LIABILITIES**

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss. However, borrowings, which is likely to be assigned or negotiated are initially measured at fair value through profit and loss account. Other borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective rate of interest (EIR). The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

**TRADE AND OTHER PAYABLES**

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**3.10 BORROWING COSTS**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company and its associate incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company and its associate that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

**3.11 TAXATION**

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company and its associate. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company and its associate will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company and its associate reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company and its associate will pay normal income tax during the specified period.

**3.12 REVENUE RECOGNITION AND OTHER INCOME**

- a) Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- b) In respect of Real Estate Projects undertaken up to 31.03.2005, the company and its associate continues to follow the complete project method of accounting for projects. In respect of Real Estate Projects undertaken w.e.f. 1st April, 2005, the revenue is recognised on Percentage Completion Method.
- c) 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.
- d) Income from services is accounted for on the basis of the bills raised on customers.
- e) 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.

**3.13 RECENT ACCOUNTING DEVELOPEMENT**

**STANDARDS ISSUED BUT NOT YET EFFECTIVE:**

Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets. The company is evaluating the same in the financial statement going forward.

**3.14 EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

**3.15 PROVISIONS AND CONTINGENCIES**

**PROVISIONS**

Provisions are recognised when the Company and its associate has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.


**CONTINGENCIES**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and its associate or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the consolidated Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**3.16 OPERATING LEASE**

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**3.17 CURRENT/NON-CURRENT CLASSIFICATION**

The Company and its associate presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company and its associate has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

In the process of applying the Company and its associate's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the consolidated financial statement:

**(a) INCOME TAXES**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company and its associate reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

**(b) CONTINGENCIES**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company and its associate as it is not possible to predict the outcome of pending matters with accuracy.

**(c) ALLOWANCE FOR UNCOLLECTED ACCOUNTS RECEIVABLE AND ADVANCES**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**5. PROPERTY, PLANT AND EQUIPMENT**

(Amount in ₹)

Particulars	Land	Buildings	Plant and Equipments	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
<b>Gross Block</b>								
<b>As at March 31, 2017</b>	2248040000	1782883611	440049908	394062403	953064	2782596	12553221	4881324804
Additions	-	1500000	2281674	2365045	-	-	61601	6208320
Adjustment	-	8289	880295	1379895	179038	-	37886	2485404
<b>As at March 31, 2018</b>	2248040000	1784375322	441451287	395047553	774026	2782596	12576936	4885047720
Additions	-	2861754	6109938	530136	-	-	211,179	9,713,007
Adjustment	-	-	-	1178661	-	-	-	1,178,661
<b>As at March 31, 2019</b>	2248040000	1787237076	447561225	394399028	774026	2782596	12788115	4893582066
<b>Accumulated Depreciation</b>								
<b>As at March 31, 2017</b>	-	29533902	34324276	72467418	232016	651900	3346956	140556469
Charge for the year	-	29638713	34394593	72574639	174651	651900	3058439	140492935
Adjustment	-	125	83858	628373	50789	-	35992	799137
<b>As at March 31, 2018</b>	-	59172490	68635011	144413684	355878	1303800	6369403	280250267
Charge for the year	-	29659224	34764237	72598611	174558	471142	2923612	140591384
Adjustment	-	-	-	710,053	-	-	-	710053
<b>As at March 31, 2019</b>	-	88831714	103399248	216302242	530436	1774942	9293015	420131598
<b>Net Carrying Amount</b>								
<b>As at March 31, 2018</b>	2248040000	1725202832	372816276	250633869	418148	1478796	6207533	4604797453
<b>As at March 31, 2019</b>	2248040000	1698405362	344161977	178096786	243590	1007654	3495099	4473450468


**6. INTANGIBLE ASSETS**

(Amount in ₹)

Particulars	Software	Total
<b>Gross Block</b>		
<b>As at March 31, 2017</b>	<b>10232718</b>	<b>10232718</b>
Additions	68000	68000
Adjustment	3558412	3558412
<b>As at March 31, 2018</b>	<b>6742306</b>	<b>6742306</b>
Additions	-	-
Adjustment	-	-
<b>As at March 31, 2019</b>	<b>6742306</b>	<b>6742306</b>

Particulars	Software	Total
<b>Accumulated Depreciation</b>		
<b>As at March 31, 2017</b>	<b>3609694</b>	<b>3609694</b>
Charge for the year	3076856	3076856
Adjustment	2897421	2897421
<b>As at March 31, 2018</b>	<b>3789129</b>	<b>3789129</b>
Charge for the year	1137479	1137479
Adjustment	-	-
<b>As at March 31, 2019</b>	<b>4926608</b>	<b>4926608</b>
<b>Net Carrying Amount</b>		
<b>As at March 31, 2018</b>	<b>2953177</b>	<b>2953177</b>
<b>As at March 31, 2019</b>	<b>1815698</b>	<b>1815698</b>

**7. NON CURRENT INVESTMENTS - Designated at Fair Value Through Profit and Loss Account**

Name of the Company	Face Value	As at 31st March, 2019		As at 31st March, 2018	
	(In ₹)	Qty (Nos)	Amount (In ₹)	Qty (Nos)	Amount (In ₹)
<b>A- Long Term - Trade - Unquoted</b>					
<b>In Equity Shares of Associates</b>					
Parsvnath HB Projects Pvt. Ltd.	10	24020	-	24020	-
<b>Total - (Trade Unquoted)</b>			-		-
<b>Aggregate Amount of Unquoted Instrument (A)</b>			-		-
<b>B1- Long Term - Other Than Trade - Quoted</b>					
Royal Orchid Hotels Ltd.	10	496	58577	496	79732
Bellary Steel and Alloys Ltd.*	1	100000	191000	100000	191000
Hotline Glass Ltd.*	10	10000	6100	10000	6100
Jaiprakash Power Ventures Ltd.	10	1543674	2871234	1543674	7409635
Shree Ram Urban Infrastructure Ltd.	10	1000	37000	1000	37000
<b>Total - (Other Than Trade Quoted)</b>			3163911		7723467
<b>Aggregate Amount of Quoted Instrument (B)</b>			3163911		7723467
<b>B2- Long Term - Other Than Trade - Unquoted</b>					
CHL (South) Hotels Ltd.	10	100000	10799873	100000	10816326
QR Properties Pvt Ltd	10	5900	5557626	5900	5164058
HB Prima Capital Ltd.	10	-	-	195000	257763
HB Corporate Services Ltd.	10	15600	153660	-	-
RRB Securities Ltd.	10	86100	1229508	86100	1291500
<b>B3- Investments in Mutual Fund</b>					
<b>Fully Paid up-Unquoted</b>					
Taurus Liquid Fund - Direct Plan - Super Institutional Growth (Taurus Dynamic Income Fund)	10	68	127284	68	116321
<b>Total-(Other Than Trade Unquoted)</b>			17867951		17645968
<b>Aggregate Amount of Un-Quoted Instrument (C)</b>			17867951		17645968
<b>B4- Investment in Preference Shares - Other Than Trade</b>					
<b>Fully Paid-Up Redeemable Preference Shares (Un-Quoted)</b>					
HB Securities Ltd. (6% Cumulative)	1000	-	-	10000	10000000
HB Growth Fund Ltd. (3% Non-cumulative)	10	50000	500000	50000	500000
HB Telecommunication Ltd. (3% Non-cumulative)	10	40000	400000	40000	400000
Gemini Portfolios Pvt. Ltd. (9% Non Cumulative)	100	-	-	600000	60000000
Venus Portfolio Pvt. Ltd. (9% Non Cumulative)	100	1190000	119000000	1190000	119000000
<b>Total- Preference Shares (D)</b>			119900000		189900000
<b>Grand Total - (A+B+C+D)</b>			140931862		215269435
<b>Aggregate Amount of Quoted Instrument</b>			3163911		7723467
<b>Aggregate Amount of Un-Quoted Instrument</b>			137767951		207545968
<b>Aggregate Market Value of Quoted Instrument</b>			3163911		7723467

(\*) Listed but not quoted


**8. OTHER NON CURRENT FINANCIAL ASSETS**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Unsecured, Considered Good</b>		
Fixed Deposits with bank (with remaining maturity more than 12 months*)	9732782	1463736
Interest Accrued but not due on Fixed Deposits	80476	10313
Security Deposits	11538502	5541900
<b>Total</b>	<b>21351760</b>	<b>7015949</b>

(\*) Pledged/ under lien with banks including for issue of Bank Guarantees

**9. DEFERRED TAX ASSETS**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Temporary difference</b>		
<b>A. Deferred Tax Liability</b>		
(i) Difference between book and tax base related to Fixed Assets	222306503	212439313
(ii) Unamortised Cost	34536973	38670737
Total Deferred Tax Liabilities	256843476	251110050
<b>B. Deferred Tax Assets</b>		
(i) Disallowance under Income Tax Act	2801215	2073194
(ii) Carried Forward losses	661137395	637061732
Total Deferred Tax Assets	663938611	639134926
<b>Net Deferred Tax Assets</b>	<b>407095134</b>	<b>388024876</b>

**10. OTHER NON CURRENT ASSETS**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Capital Advances	3339220	3443964
<b>Total</b>	<b>3339220</b>	<b>3443964</b>

**11. INVENTORIES**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Completed Construction (Real Estate)	92593514	119391720
Food and Beverages	10930748	15539325
Stores and Operating Supplies	35005495	37554900
<b>Total</b>	<b>138529757</b>	<b>172485945</b>

**12. TRADE RECEIVABLES**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	34612102	32833620
Trade Receivables which have significant increase in Credit Risk	1658833	1532836
Trade Receivables - Credit impaired	-1658833	-1532836
<b>Total</b>	<b>34612102</b>	<b>32833620</b>

**13. CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
- On Current Accounts	55881987	68678103
- Cheques/ Demand Drafts in Hand	33257085	187704
- Cash in Hand	1209486	975354
<b>Total</b>	<b>90348558</b>	<b>69841161</b>

**14. OTHER BANK BALANCES**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
-In Earmarked Dividend Accounts	2132159	3154372
Fixed Deposits with remaining maturity of less than twelve months and other than considered in Cash and Cash Equivalents *	2138235	9134000
<b>Total</b>	<b>4270394</b>	<b>12288372</b>

(\*) Pledged/ under lien with banks including for issue of Bank Guarantees

**15. LOANS**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Unsecured, Considered Good</b>		
Laons Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured		
-Loans and Advances to Related Party- Associate*	26476182	14196182
-Inter Corporate Deposit including Accrued Interest	1642110	25221644
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - Credit Impaired	-	-
<b>Total</b>	<b>28118292</b>	<b>39417826</b>

(\*) To Parsvnath HB Projects Pvt. Ltd.

**16. OTHER FINANCIAL ASSETS**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Interest accrued but not due on Bank deposits	373054	904188
<b>Total</b>	<b>373054</b>	<b>904188</b>

**17. CURRENT TAX ASSETS (NET)**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Current Tax Assets (Net of provision)	34088819	36972121
<b>Total</b>	<b>34088819</b>	<b>36972121</b>

**18. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Amount Recoverable from Government Authorities*	5842213	6037349
Advances to Contractors/Suppliers/other Recoverables	47002752	73999493
Receivable from HB Portfolio Ltd. pursuant to Composite Scheme of Arrangement	-	5933540
<b>Total</b>	<b>52844965</b>	<b>85970382</b>

(\*) Represents VAT, GST, Cenvat Credit and Property Tax etc.


**19. EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>AUTHORIZED</b>		
3,50,00,000 (3,50,00,000) Equity Shares of Rs.10/- each.	350000000	350000000
1,35,00,000 (1,35,00,000) Redeemable Preference Shares of Rs.100/- each	1350000000	1350000000
	1700000000	1700000000
<b>ISSUED</b>		
1,94,59,947 (1,94,59,947) Equity Shares of Rs.10/- each fully paid up	202892850	202892850
	202892850	202892850
<b>SUBSCRIBED &amp; PAID UP</b>		
1,94,59,947 (1,94,59,947) Equity Shares of Rs.10/- each fully paid up	194599470	194599470
Add: Forfeited shares- 8,29,338 (March 31, 2018 - 8,29,338) Equity Shares	2737438	2737438
(Amount originally paid up)		
<b>Total</b>	<b>197336908</b>	<b>197336908</b>
19.1 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date.	Nil	Nil

**19.2 Reconciliation of the number of Equity Shares and Share Capital:**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	Amount (In ₹)	No of shares	Amount (In ₹)
Number of shares at the beginning	19459947	194599470	19459947	194599470
Addition during the Year	-	-	-	-
Number of shares at the end	19459947	194599470	19459947	194599470

**-- Particulars of Shareholders holding more than 5% shares (Equity Shares) :**

Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Lalit Bhasin	9962280	51.19	9927873	51.02
HB Portfolio Ltd.	2104317	10.81	2104317	10.81

**19.3 Brief Particulars of change in Share Capital during the previous Financial Year 2017-18**

- (a) The Company had allotted Equity Shares of ₹ 10 (Rupees Ten) each fully paid-up to the Shareholders of HB Stockholdings Limited in the ratio of 24 (Twenty Four) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up of the Company for every 100 (One Hundred) Equity Shares held by them in HB Stockholdings Limited. The Company had also allotted Equity Shares of ₹ 10 (Rupees Ten) each fully paid-up to the Shareholders of HB Portfolio Limited in the ratio of 59 (Twenty Four) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up of the Company for every 100 (One Hundred) equity shares held by them in HB Portfolio Limited. As a result of which, the Equity Share capital of the Company increased from ₹ 16,13,82,870 comprising of 1,61,38,287 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up to ₹ 32,43,32,450 comprising of 3,24,33,245 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up. Thus 1,62,94,958 Equity Shares of ₹ 10 each fully paid up were issued and allotted pursuant to composite scheme of arrangement.
- (b) After the allotment of Equity Shares by the Company to the Shareholders of HB Stockholdings Limited and HB Portfolio Limited the equity share capital of the Company had been reduced by reducing the face value of the Equity Shares from 1 (One) Equity Share of ₹ 10/- (Rupees Ten) fully paid up to 1 (One) Equity Shares of ₹ 6/- (Rupees Six) each fully paid up.

- (c) The Equity Share Capital of the Company so reduced had been further consolidated in such a manner that the Shareholders holding 5 (Five) Equity Share of ₹ 6/- (Rupees Six) each fully paid up were allotted 3 (Three) Equity Share of ₹ 10/- (Rupees Ten) each fully paid up in the Equity Share Capital of the Company. As a result of which, the Equity Share Capital reduced from ₹ 32,43,32,450 comprising of 3,24,33,245 Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 19,45,99,470 comprising of 1,94,59,947 Equity Shares of ₹ 10/- (Rupees Ten) each.

**20. OTHER EQUITY**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Capital Reserve</b>	23039795	23039795
	23039795	23039795
<b>Business Reorganization Reserve</b>	1046662354	1046662354
	1046662354	1046662354
<b>Capital Redemption Reserve</b>	20000000	20000000
	20000000	20000000
<b>Securities Premium</b>	555742116	555742116
	555742116	555742116
<b>General Reserve</b>	668199083	668199083
	668199083	668199083
<b>Statutory Reserve</b>	125903413	125903413
	125903413	125903413
<b>Equity Component of Compound Financial Instruments **</b>	303773313	296021327
Addition/(Deletion) during the year	-78561156	7751986
Equity Component of Interest Free Loan Trfd to Retained Earning	-45899382	-
	179312776	303773313
<b>Retained Earnings</b>	(560090775)	(397028715)
Equity Component of Interest Free Loan Trfd to Retained Earning	45899382	-
Profit/ (Loss) for the year	(104292993)	(163062059)
	(618484386)	(560090775)
<b>Items of Other Comprehensive Income</b>	507619	(125155)
Items that will not be reclassified to Profit and Loss		
Remeasurement of Defined Benefit Plans	(344350)	632773
	163269	507619
<b>Total</b>	<b>2000538420</b>	<b>2183736918</b>

Retained Earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represents the balance in Equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to profit and loss (ii) Items that will be reclassified to profit and loss.

Capital Redemption Reserve represents the Statutory Reserve created when Capital is redeemed.

The Statutory Reserve represents reserve specifically created u/s 45 IC of Reserve Bank of India (Amendment) Act, 1997

General Reserve represents the Statutory Reserve, in accordance with Indian Corporate law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend. However, under Companies Act, 2013 transfer of any amount to General Reserve is at the discretion of the Company.

Securities Premium represents the amount received in excess of par value of Securities (Equity Shares, Preference Shares and Debentures). Premium on redemption of Securities is accounted in Security Premium available. Where Security premium is not available, premium on redemption of Securities is accounted in statement of profit and loss. Section 52 of the Companies Act 2013 specify restriction and utilisation of Security Premium.



21. NON CURRENT BORROWINGS

Particulars	As at 31st March, 2019 (In ₹)		As at 31st March, 2018 (In ₹)	
	Non-Current	Current	Non-Current	Current
<b>(A) SECURED</b>				
<b>LOANS FROM BANK</b>				
(i) Term Loan from Yes Bank				
a) Facility 2	600447272	16000000	610550322	-
b) Facility 3	899001965	7500000	911929526	4000000
<b>Total-A</b>	<b>1499449237</b>	<b>23500000</b>	<b>1522479848</b>	<b>4000000</b>
<b>(B) UNSECURED</b>				
(i) Overdraft from State Bank of India	121484372	17200000	136765077	8600000
(ii) Term Loan from Religare Finvest Limited	-	-	45207336	2376040
(iii) Debt Component of Compounded Financial Instruments				
(a) Intercompany Loans & Advances	167260655	-	318117369	-
(b) Loan from Director	45676570	-	33359318	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares- Series I	150000000	-	150000000	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II	500000000	-	500000000	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series III -Tranche I	200000000	-	-	-
<b>Total-B</b>	<b>1184421597</b>	<b>17200000</b>	<b>1183449100</b>	<b>10976040</b>
<b>Total (A+B)</b>	<b>2683870834</b>	<b>40700000</b>	<b>2705928949</b>	<b>14976040</b>

- Maturity Profile of Secured Term Loan from banks are as under:

	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Term Loan from Yes Bank (II) (Rs. 68.20 Crore)	64000000	96000000	96000000	393862103
- Term Loan from Yes Bank (III) (Rs. 100 Crore)	37500000	40000000	58000000	832001846

- Maturity Profile of Unsecured Loans are as under:

	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Overdraft from State Bank of India	25700000	34300000	34300000	27871901

The term loans from Yes Bank at Sr. No. A (i) and overdraft from State Bank of India at Sr. No. B (i) above are net of transaction cost.

**Secured**

**(i) Term Loans From Yes Bank**

Secured by way of exclusive charge on Company's Hotel land and hotel building situated in Sector 44, Gurugram, exclusive charge on all present and future moveable Fixed Assets and Current Assets of the project (Taj City Center), personal guarantee of Director Mr. Lalit Bhasin, Non Disposal Undertaking (NDU) of entire shareholding of the Company held by Mr. Lalit Bhasin, negative lien on his entire shareholding in the Company for entire tenure of loan facility.

- The Term Loan - II repayable in 44 Quarterly installments starting from February, 2016. Last installment due in November, 2026. The Rate of Interest is 1.45% over and above Bank's one year MCLR.
- The Term Loan - III repayable in 44 Quarterly installments starting from November, 2018. Last installment due in August, 2029. The Rate of Interest is 1.45% over and above Bank's one year MCLR.

**Unsecured**

**(i) Overdraft Facility from State Bank of India**

Secured by way of equitable mortgage of Residential Property bearing no. C-2/7, Safdarjung Development Area, New Delhi belonging to Mr. Lalit Bhasin - Director of the Company and also his personal guarantee. The Rate of Interest is 3.05% over and

above Bank's one year MCLR. The total loan tenure is of 7 years 10 months. The loan is repayable in 27 quarterly unequal installments starting from 1st quarter of 2017-18 and last installment due in 3rd quarter of 2023-24.

**(ii) Debt Component of Compounded Financial Instruments**

The Loans are repayable after 6 years starting from Date of Agreement i.e. 01.04.2016 and carries interest @ 12% p.a.

22. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Security Deposits*	75577017	76154103
Interest Accrued but not due on fair valuation of security deposits	14336703	11885739
Other Liabilities	-	2454616
<b>Total</b>	<b>89913720</b>	<b>90494458</b>

(\*) Include due to related parties ₹ 69215763 (₹ 69215763)

23. NON CURRENT PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Provisions For Employees Benefit</b>		
Leave Encashment	2199262	2039339
Gratuity	3751542	2690503
<b>Total</b>	<b>5950804</b>	<b>4729842</b>

24. CURRENT BORROWINGS (SECURED)

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>From Banks</b>		
Overdraft Facility from YES Bank Limited *	148944133	151298483
<b>Total</b>	<b>148944133</b>	<b>151298483</b>

(\*) Secured by way of exclusive charge as specified in Note no. 21 in respect of term loan facilities from Yes Bank Ltd.

25. TRADE PAYABLES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Total outstanding dues of Micro Enterprises and Small Enterprises*	3815342	1095533
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	117836541	152018029
<b>Total</b>	<b>121651883</b>	<b>153113562</b>

**(\*) NOTE RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES**

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Principal Amount remaining unpaid at the end of the year	3815342	1095533
Interest Amount remaining unpaid at the end of the year	-	-
Amount of Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of Interest due and payable for the period of delay in making payment (in addition to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006)	-	-
Amount of Interest accrued and remained unpaid at the end of the year	-	-
Amount of further Interest remaining due and paid in the succeeding year	-	-
<b>Total</b>	<b>3815342</b>	<b>1095533</b>



26. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Current Maturities of Long term borrowings (Refer Note No.21)	40700000	14976040
Interest Accrued but not due on borrowings	15216610	14958913
Unclaimed Dividend *	2132159	3154372
Expenses Payable	38836629	47463589
Security Deposits	586352	747502
Interest Accrued but not due on fair valuation of loan	63960503	65326306
Other Liabilities	2454616	4208029
<b>Total</b>	<b>163886869</b>	<b>150834751</b>

(\*) There is no amount outstanding due to be transferred to Investor Education and Protection Fund.

27. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Advances from Customers	3621501	18554703
Statutory Dues Payable	14194970	10879098
Payable to HB Stockholdings Ltd. pursuant to Composite Scheme of Arrangement	-	4214449
<b>Total</b>	<b>17816471</b>	<b>33648250</b>

28. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>Provisions For Employees Benefit</b>		
Leave Encashment	1260041	1096348
<b>Total</b>	<b>1260041</b>	<b>1096348</b>

29. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
<b>Hotel</b>		
Rooms	465348663	450008713
Food & Beverages, Restaurant and Banquet Income	345068107	332505651
Others	50130510	50102779
<b>Real Estate</b>		
Sales	26500000	-
Other Operating Income*	5153567	5170724
<b>Total</b>	<b>892200847</b>	<b>837787867</b>

(\*) Includes Rental Income, Facility Charges and Other Claims

30. OTHER INCOME

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest On Fixed Deposits with banks	877202	2349679
Interest On Income Tax Refund	3104232	-
Interest Income on ICD	7023782	-
Gain on fair valuation of investments	-	675951
Other Income	331192	1738779
Rental Income on fair valuation of security deposit	4208029	4534056
<b>Total</b>	<b>15544437</b>	<b>9298465</b>

31. FOOD AND BEVERAGES CONSUMED

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Opening Stock	15539325	8557880
Add : Purchases	78350846	88973462
Less : Closing Stock	10930748	15539325
<b>Total</b>	<b>82959423</b>	<b>81992017</b>

32. INCREASE / DECREASE IN STOCK-COMPLETED CONSTRUCTION

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Opening Stock	119391720	119391720
Less : Closing Stock	92593514	119391720
<b>Total</b>	<b>26798206</b>	<b>-</b>

33. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Salaries and Benefits	108710479	106906259
Payment to Contractors	25426335	29581171
Reimbursement of expenses on personnel deputed to the Company	34758177	27749802
Contribution to Provident Fund and other Fund	6573790	6539201
Staff welfare	20521997	26129243
<b>Total</b>	<b>195990778</b>	<b>196905676</b>

34. FINANCE COSTS

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest	215849731	221372777
Loan Processing fee amortized during the year	14195619	10273297
Interest expense on fair valuation of Security Deposit	2450964	6266014
Interest expense on debt component of compound instruments	44533580	28948804
<b>Total</b>	<b>277029894</b>	<b>266860892</b>

35. OTHER EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Linen, Room, Catering and Other Supplies/Services	36596996	47601768
Facility Management Services	13182615	14100187
Legal and Professional	11595505	9826908
Payment to Orchestra Staff, Artists and Others	3490466	2952655
Communication	6029755	7326094
Commission to Travel Agents and Others	24223772	20673572
Advertisements	4383944	6106445
Printing and Stationery	4543040	4710102
Conveyance and Travelling	14066548	20021152
Repair and Maintenance :		
To Building	13910523	14474521
To Machinery	14717705	11461538
To others	18222243	16470420



Particulars	For the Year ended 31st March, 2019 (In ₹)		For the Year ended 31st March, 2018 (In ₹)	
Fuel, Power and Light		66300037		67114022
Listing Fees		250000		287500
Insurance		2225455		2090447
Subscription Fees		3328232		3414122
Sitting Fees		324500		314400
Miscellaneous Expenses		11149234		11413628
Loss on fair valuation of Investments		4337573		-
Provision for Doubtful Debts		125997		1202329
Licence Fees		5640414		5893160
Operating Fees		32970456		61800319
Loss on sale of Fixed Assets		341490		244150
Exchange rate Fluctuation (Net)		36649		66827
Auditors' Remuneration				
- Audit Fees	300000		300000	
- Tax Audit Fees	100000		-	
- Limited Review Report	75000		35000	
- Certification and Others	10000	485000	33750	368750
Rates and Taxes		3389290		7825286
Discount to Collecting Agents		8431122		8148033
<b>Total</b>		<b>304298561</b>		<b>345908335</b>

**36. EARNING PER SHARE (IN ₹):**

Particulars	Current Year (In ₹)	Previous Year (In ₹)
<b>Net Profit/(Loss) as Per Statement of Profit and Loss After Tax</b>	<b>(104292993)</b>	<b>(163062059)</b>
<b>Weighted Average Nos. of Equity Share Outstanding</b>	<b>19459947</b>	<b>19459947</b>
<b>Earning Per Share (face value of ₹ 10 each)</b>		
<b>Basic and diluted Earning per share (₹)</b>		
- Basic	(5.36)	(8.38)
- Diluted	(5.36)	(8.38)

**37. FINANCIAL RISK MANAGEMENT**
**FINANCIAL RISK FACTORS**

The Company and its associate's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company and its associate's operations. The Company and its associate has short term trade receivable and bank deposits which are under lien with banks for availing credit facilities. The Company and its associate's activities expose it to a variety of financial risks:

**i) MARKET RISK**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2018 and March 31, 2019.

**ii) CREDIT RISK**

Credit risk is the risk that a counter party will not meet its obligations under a Financial Instrument or customer contract, leading to a Financial Loss.

**iii) LIQUIDITY RISK**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company and its associate's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company and its associate's financial performance.

**MARKET RISK**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the Non-Financial Assets and Liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective Market Risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in Foreign Currency exchange rates and interest rates. However, such effect is not material.

**(a) FOREIGN EXCHANGE RISK AND SENSITIVITY**

The Company transacts business primarily in Indian Rupee. However, the Company and its associate has transactions in USD, Euro, GBP and others. The Company and its associate has negligible foreign currency trade payables and is therefore, foreign exchange risk, is not material. There are no other foreign currency monetary items, so the company and its associate does not face any foreign exchange risk.

Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	For the Year ended 31st March, 2019 (in ₹)	For the Year ended 31st March, 2018 (in ₹)
Net Foreign Exchange Loss Shown as Other Expenses	36649	66827

There is no exchange rate sensitivity for the associate which has been dealt for in the financial statements.

**(b) INTEREST RATE RISK AND SENSITIVITY**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at floating rate. Borrowing issued at variable rate expose the company and its associate to cash flow interest rate risk. Weighted average cost of borrowing is 10.97% for the year ended 31st March, 2019 (10.80% for the year ended 31st March, 2018). With all other variable held constants the following table demonstrate the impact of borrowing cost on floating rate portion of loans and borrowing:

There is no interest rate risk sensitivity for the associate which has been dealt for in the financial statements.

**INTEREST RATE SENSITIVITY**

Interest rate sensitivity	Increase/Decrease in basis points (in ₹)	Effect on profit before tax (in ₹)
<b>For the year ended March 31, 2019</b>		
INR borrowings	+50	96,45,900
	-50	-96,45,900
<b>For the year ended March 31, 2018</b>		
INR borrowings	+50	97,79,706
	-50	-97,79,706

**CREDIT RISK**

The Company is not significantly exposed to Credit Risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks which are under lien with banks for availing credit facilities.

**(a) TRADE RECEIVABLES**

The Company extends credit to corporate customers in normal course of business. The Company and its associate considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company and its associate monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. However, average credit period to customers is approximately fourteen days. The company and its associate does not allow any credit period in respect of Walk-in Customers and is therefore not exposed to at any credit risk.

**LIQUIDITY RISK**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall, promoters envisage to infuse capital and loans.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Amount (in ₹)

Particulars	Ageing as on 31st March 2019				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	2992117208	193644133	297500000	2500973075	2992117208
Trade Payable	121651883	121651883	-	-	121651883
Other Liabilities	213100589	0	89913720	-	89913720
<b>Total</b>	<b>3326869680</b>	<b>315296016</b>	<b>387413720</b>	<b>2500973075</b>	<b>3203682811</b>
Particulars	Ageing as on 31st March 2018				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	3005001332	166274523	186152080	2652574729	3005001332
Trade Payable	153113562	153113562	-	-	153113562
Other Liabilities	226353169	0	90494458	-	90494458
<b>Total</b>	<b>3384468063</b>	<b>319388085</b>	<b>276646538</b>	<b>2652574729</b>	<b>3248609352</b>


**UNUSED LINE OF CREDIT (EXCLUDING NON FUND BASED FACILITIES)**

Particulars	As on March 31, 2019 (In ₹)	As on March 31, 2018 (In ₹)
Secured	101055867	98701517
Unsecured	-	-
<b>Total</b>	<b>101055867</b>	<b>98701517</b>

**INTEREST RATE & CURRENCY OF BORROWINGS**

The below table demonstrate the borrowing of Fixed and Floating Rate of Interest

Particulars	Total Borrowings (In ₹)	Floating Rate Borrowings (In ₹)	Fixed Rate Borrowings (In ₹)	Weighted Average Rate of Borrowing (%)
INR	2992117208	1929179983	1062937225	10.97
<b>Total as at March 31, 2019</b>	<b>2992117208</b>	<b>1929179983</b>	<b>1062937225</b>	
INR	3005001332	1955941269	1049060063	10.80
<b>Total as at March 31, 2018</b>	<b>3005001332</b>	<b>1955941269</b>	<b>1049060063</b>	

**CAPITAL RISK MANAGEMENT**

The Company and its associate aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders.

The capital structure of the Company and its associate is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company and its associate's primary objective when managing capital is to ensure the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company and its associate may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company and its associate's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company and its associate will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company and its associate monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2018-19 and 2017-18 is as under:

**GEARING RATIO**

Particulars	As of March 31, 2019 (In ₹)	As of March 31, 2018 (In ₹)
Loans and Borrowings	2873514967	2872203472
Less: Cash and Cash Equivalents	90348558	69841161
Net Debt	2783166409	2802362311
Equity	2197875328	2381073826
Total Capital	4981041737	5183436137
Gearing ratio	55.88%	54.06%

However, the company envisages to reduce its gearing ratio.

**38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Set out below is a comparison by class of the carrying amounts and fair value of the Company and its associate's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2019 (In ₹)		As at March 31, 2018 (In ₹)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets designated at Amortised Cost</b>				
Fixed Deposits with Banks	11871017	11871017	10597736	10597736
Cash and Bank balances	90348558	90348558	69841161	69841161
Investment	140931862	140931862	215269435	215269435
Trade Receivables	34612102	34612102	32833620	32833620
Other Financial Assets	42242482	42242482	49028598	49028598
	<b>320006021</b>	<b>320006021</b>	<b>377570550</b>	<b>377570550</b>
<b>Financial Liabilities designated at Amortised Cost</b>				
Borrowings- Fixed rate	1062937225	1062937225	1049060063	1049060063
Borrowings- Floating rate	1810577742	1810577742	1823143409	1823143409
Trade Payable	121651883	121651883	153113562	153113562
Other Financial Liabilities	213100589	213100589	226353169	226353169
	<b>3208267439</b>	<b>3208267439</b>	<b>3251670203</b>	<b>3251670203</b>

**FAIR VALUE HIERARCHY**

The Company and its associate measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices/NAV for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company and its associate uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company and its associate recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table provides the fair value measurement hierarchy of Company and its associate's asset and liabilities, grouped into Level 1 to Level 2as described below:

**ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS (ACCOUNTED)**

Particulars	As on March 31, 2019 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Non Current Investments			
--Mutual Funds	127284	-	-
--Quoted Investment	3163911	-	-
--Un-Quoted Investment	-	17740667	-
<b>Total</b>	<b>3291195</b>	<b>17740667</b>	<b>-</b>

Particulars	As on March 31, 2018 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Non Current Investments			
--Mutual Funds	116321	-	-
--Quoted Investment	7723467	-	-
--Un-Quoted Investment	-	17529647	-
<b>Total</b>	<b>7839788</b>	<b>17529647</b>	<b>-</b>

**ASSETS/ LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED**

Particulars	As on March 31, 2019 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing - Fixed Rate	-	212937225	-
Other Financial Liabilities	-	213100589	-
<b>Total</b>	<b>-</b>	<b>426037814</b>	<b>-</b>

Particulars	As on March 31, 2018 (In ₹)		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing - Fixed Rate	-	351476687	-
Other Financial Liabilities	-	226353169	-
<b>Total</b>	<b>-</b>	<b>577829856</b>	<b>-</b>

**39. SEGMENT INFORMATION**
**Information about Primary Segment**

The Company operates in a Single Primary Segment (Business Segment) i.e. Hotel Operations.

**Information about Geographical Segment – Secondary**

The Company's operations are located in India. The Management has not identified any geographical segment.

**40. DEFERRED INCOME TAX**

The Company and its associate has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed. The Company and its associate has also recognised deferred tax asset on carried forward losses under IND-AS based on reasonable certainty.



The analysis of deferred tax assets and liabilities provided for in profit and loss account is as under:

**DEFERRED INCOME TAX**

Particulars	Year Ended March 31, 2019 (in ₹)	Year Ended March 31, 2018 (in ₹)
Book base and Tax base of Fixed Assets	9867190	3433908
Disallowance/ Allowance (net) under Income Tax	(4720315)	12006358
Carries forward losses	(24075662)	(40528585)
<b>Total</b>	<b>(18928787)</b>	<b>(25088319)</b>

**Component of Tax accounted in OCI and Equity**

Particulars	Year Ended March 31, 2019 (in ₹)	Year Ended March 31, 2018 (in ₹)
<b>Component of OCI</b>		
Deferred Tax (Gain)/ Loss on defined benefit plans	(141471)	259966
<b>Total</b>	<b>(141471)</b>	<b>259966</b>

**41. RETIREMENT BENEFIT OBLIATIONS**
**(a) EXPENSE RECOGNISED FOR DEFINED CONTRIBUTION PLAN**

Particulars	For the Year ended March 31, 2019 (in ₹)	For the Year ended March 31, 2018 (in ₹)
Company's Contribution to Provident Fund	4350797	4311875
Company's Contribution to ESI	1098575	1143370
<b>Total</b>	<b>5449372</b>	<b>5455245</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2018 and March 31, 2019, being the respective measurement dates:

**(b) MOVEMENT IN OBLIGATION**

Particulars	Gratuity (Funded) (in ₹)	Leave Encashment (Unfunded) (in ₹)
<b>Present value of Obligation-April 1, 2017</b>	<b>3759801</b>	<b>2128577</b>
Gratuity Liability Trfd on Scheme of Arrangement	593508	1705148
Current Service Cost	252758	151335
Interest Cost	(129001)	(606892)
Benefits Paid	(341019)	(39100)
Remeasurement - Actuarial loss / (gain)	(903489)	(203381)
<b>Present Value of Obligation - March 31, 2018</b>	<b>3232558</b>	<b>3135687</b>
<b>Present Value of Obligation -April 1, 2018</b>	<b>3232558</b>	<b>3135687</b>
Current Service Cost	685087	1145401
Interest Cost	236359	221368
Benefits Paid	(294220)	(777743)
Remeasurement - Actuarial Loss / (Gain)	474487	(265410)
<b>Present Value of Obligation - March 31, 2019</b>	<b>4334271</b>	<b>3459303</b>

**(c) MOVEMENT IN PLAN ASSETS – GRATUITY**

Particulars	For the Year ended March 31, 2019 (in ₹)	For the Year ended March 31, 2018 (in ₹)
<b>Fair Value of Plan Assets as beginning of year</b>	<b>542054</b>	<b>512116</b>
Expected Return on plan Assets	42009	39689
Employer Contributions	10000	130000
Benefits Paid	-	(129001)
Actuarial gain / (loss)	(11334)	(10,750)

<b>Fair Value of Plan Assets at end of year</b>	<b>582729</b>	542054
Present Value of Obligation	4334271	3232558
Present Value of Plan Assets	582729	542054
<b>Net Funded Status of Plan Assets</b>	<b>3751542</b>	2690504

The components of the gratuity & leave encashment cost are as follows:

**(d) RECOGNISED IN PROFIT & LOSS**

Particulars	Gratuity (Funded) (in ₹)	Leave Encashment (Unfunded) (in ₹)
Current Service Cost	593508	1705148
Interest Cost	252758	151335
Expected Return on Plan Assets	(39689)	-
Remeasurement - Actuarial Loss / (Gain)	(892739)	(203381)
<b>For the Year Ended March 31, 2018</b>	<b>(86162)</b>	<b>1653102</b>
Current Service Cost	685087	1145401
Interest Cost	236359	221368
Expected Return on Plan Assets	(42009)	-
Remeasurement - Actuarial Loss / (Gain)	474487	(265410)
<b>For the Year Ended March 31, 2019</b>	<b>1353924</b>	<b>1101359</b>

**(e) RECOGNISED IN OTHER COMPREHENSIVE INCOME**

Particulars	Gratuity (Funded) (in ₹)
Remeasurement - Actuarial Gain / (Loss)	
<b>For the Year Ended March 31, 2018</b>	892739
Remeasurement - Actuarial Gain / (Loss)	
<b>For the Year Ended March 31, 2019</b>	(485821)

**(f) THE PRINCIPAL ACTUARIAL ASSUMPTIONS USED FOR ESTIMATING THE COMPANY'S DEFINED BENEFIT OBLIGATIONS ARE SET OUT BELOW:**

Weighted Average Actuarial Assumptions	As at March 31, 2019	As at March 31, 2018
Discount Rate	6.75%	7.00%
Expected Rate of Increase in Salary	6.00%	6.00%
Expected Rate of Return on Plan Assets	0	0
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of Employees ( Years)	28.1	28.6

The assumption of future Salary increase takes into account the Inflation, Seniority, Promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2015-16 as considered in previous GAAP on transition to IND AS.

**(g) SENSITIVITY ANALYSIS:**

**For the Year Ended March 31, 2018** Amount (in ₹)

Particulars	Change in Assumption	Effect on Gratuity Obligation (in ₹)	Change in Assumption	Effect on Leave Encashment obligation (in ₹)
Discount Rate	+ 1%	3016635	+ 1%	2980210
	- 1%	3488659	- 1%	3317745
Salary Growth Rate	+ 1%	3488036	+ 1%	3317371
	- 1%	3013263	- 1%	2977659
Attrition Rate	+ 1%	3224544	+ 1%	3145720
	- 1%	3238666	- 1%	3124029



For the Year Ended March 31, 2019		Amount (in ₹)		
Particulars	Change in Assumption	Effect on Gratuity Obligation (in ₹)	Change in Assumption	Effect on Leave Encashment obligation (in ₹)
Discount Rate	+ 1%	4033583	+ 1%	3290800
	- 1%	4688951	- 1%	3656505
Salary Growth Rate	+ 1%	4688131	+ 1%	3656134
	- 1%	4028999	- 1%	3288203
Attrition Rate	+ 1%	4328897	+ 1%	3469992
	- 1%	4337010	- 1%	3446954

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

(h) ESTIMATE OF EXPECTED BENEFIT PAYMENTS  
(In absolute terms i.e. undiscounted)

Particulars	Gratuity (Funded) (in ₹)
01 April 2019 to 31 March 2020	608444
01 April 2020 to 31 March 2021	1290983
01 April 2021 to 31 March 2022	1520909
01 April 2022 to 31 March 2023	1800834
01 April 2022 to 31 March 2024	1919730
01 April 2024 Onwards	2165225

(i) STATEMENT OF EMPLOYEE BENEFIT PROVISIONS

Particulars	Year ended March 31, 2019 (in ₹)	Year ended March 31, 2018 (in ₹)
Gratuity	3751542	3232558
Leave Encashment	3459303	3135687
<b>Total</b>	<b>7210845</b>	<b>6368245</b>

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

(j) CURRENT AND NON-CURRENT PROVISION FOR GRATUITY AND LEAVE ENCASHMENT

For the Year Ended March 31, 2018

Particulars	Gratuity (in ₹)	Leave Encashment (in ₹)
Current Provision	-	1096348
Non Current Provision	2690504	2039339
<b>Total Provision</b>	<b>2690504</b>	<b>3135687</b>

For the Year Ended March 31, 2019

Particulars	Gratuity (in ₹)	Leave Encashment (in ₹)
Current Provision	-	1260041
Non Current Provision	3751542	2199262
<b>Total Provision</b>	<b>3751542</b>	<b>3459303</b>

(k) EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2019 (in ₹)	Year ended March 31, 2018 (in ₹)
Salaries and Wages	168894991	164237232
Cost-defined Contribution Plan	6573790	6539201
Welfare Expenses	20521997	26129243
<b>Total</b>	<b>195990778</b>	<b>196905676</b>

Figure in No.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Average No. of People Employed	227	242

Other Comprehensive Income presentation of Defined Benefit Plan

- Gratuity is Defined Benefit Plan, Re-measurement gains / (losses) on defined benefit plans is shown under Other Comprehensive Income as Items that will not be reclassified to Profit or Loss and also the Income Tax effect on the same.
- Leave Encashment Cost is in the nature of short term employee benefits.

Presentation in Statement of Profit and Loss and Balance Sheet

Expense for service cost, Net Interest on Net Defined Benefit Liability (Asset) is charged to Statement of Profit & Loss.

Ind AS 19 do not require segregation of provision in Current and Non-Current, however Net Defined Liability (Assets) is shown as Current and Non-Current Provision in Balance Sheet as per Ind AS 1.

Actuarial Liability for short term benefits (leave encashment cost) is shown as Current and Non-Current provision in Balance Sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

42. OTHER DISCLOSURES

(a) Details of loans given, Investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.

- Investment made and loan given is disclosed under the Investment Schedule and loan schedule of balance sheet (refer note 7 & 15 read with note no. 44). The company has not given any guarantee.

43. CONTINGENT LIABILITIES

i) Duties and Taxes

Particulars	As at March 31, 2019	As at March 31, 2018
Disputed Sales Tax	161709502	161709502
Property Tax*	7821151	7821151
Vacant Land Tax (Under Appeal in Delhi High Court)	228616	228616
<b>Total</b>	<b>169759269</b>	<b>169759269</b>

(\*) The Total Demand raised by MCD was ₹ 83,85,604/- (Previous Year ₹ 83,85,604/-). Against this, the Company deposited the Admitted Liability of ₹ 5,64,453/-(Previous Year ₹ 5,64,453/-). For the balance amount of ₹ 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 ₹ 78,21,151/-. As per direction of Hon'ble Court the company paid a sum of ₹ 10,18,477/- against the aforesaid demand and stay has been granted for the balance amount. 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 ₹ 10,18,477/- paid by the Company is being shown as recoverable in the Balance Sheet under the head Short Term Loans and Advances.

(ii) OTHER CONTINGENT LIABILITIES

Amount (in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Claim against the company not acknowledged as Debt	27755293	27755293
Letter of Credit/ Bank Guarantee issued by bank	2000000	3944000
Ground Rent*	-	-
<b>Total</b>	<b>29755293</b>	<b>31699293</b>

(\*) The Company had received a Show Cause Notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 258.68 Lacs (Excluding un-determined 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. DDA vide Notice dated 12.01.2010 demanded a sum of ₹ 398.46 lacs (Excluding Interest) towards ground rent upto the period 14.07.2010. Aggrieved by the said demand, the Company again filed a writ petition in the Hon'ble High Court of Delhi which vide its order dated 31.05.2010 stayed the operations of the order of DDA subject to Company depositing a sum of ₹ 100 Lacs. As per the direction of Hon'ble High court, the Company has deposited the said amount of ₹ 100 lacs on 10.06.2010.



The matter is pending for final disposal by the Hon'ble Court. The Liability will be determined only after the disposal of matter by the Hon'ble High Court of Delhi; and therefore at this stage, in the opinion of management any further provision is neither considered necessary nor ascertainable. The effect of any arrear/excess amount will be taken after the decision of the Hon'ble Court.

There are no contingent liabilities with respect to associate as at 31st March 2019, and for the year ended 31st March 2018.

**44. RELATED PARTY TRANSACTIONS**

In accordance with the requirements of Ind AS 24, on Related Party Disclosures, name of the Related Party, Related Party Relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

**RELATED PARTY NAME AND RELATIONSHIP**
**(a) Person having significant influence / control / major shareholders**

(i) Mr. Lalit Bhasin

**(b) Key Managerial Personnel**

(i) Mr. Praveen Gupta, CFO

(ii) Ms. Radhika Khurana, Company Secretary

**(c) Enterprises over which significant influence/control exist of the Relatives of persons mentioned in (a) above**

(i) RRB Master Securities Delhi Ltd.

**(d) Enterprises under direct or indirect common control/significant influence of Key Managerial Person/ Relative of Key Managerial Person**

(i) HB Stockholdings Ltd.

(ii) HB Portfolio Ltd.

(iii) HB Securities Ltd. (Subsidiary of HB Portfolio Ltd.)

(iv) HB Leasing & Finance Co. Ltd.

(iv) RRB Securities Ltd.

**(e) Enterprises under Joint Ventures/Associate Company**

(i) Parsvnath HB Projects Pvt. Ltd. - Associate

**RELATED PARTY TRANSACTIONS:**

Sr. No.	Particulars	Nature of Transaction	For the Year ended March 31, 2019 (in ₹)	For the Year ended March 31, 2018 (in ₹)
<b>Enterprises under direct or indirect common control / significant influence of Key Managerial Person / Relative of Key Managerial person</b>				
i	RRB Master Securities Delhi Ltd.	Rent Received	878173	863052
ii	HB Stockholdings Limited	Rent Received	861240	861240
		Amount paid pursuant to Composite Scheme of Arrangement paid during the year	4214449	-
iii	HB Portfolio Limited	Rent Received	861240	861240
		Issue of Preference Shares	20000000	-
		Amount received pursuant to Composite Scheme of Arrangement realized	5933540	-
iv	RRB Securities Limited	Rent Received	-	131560
		Security Deposit Repaid	-	5700000
v	HB Securities Limited	DP Charges Paid	1180	1150
		Redemption of Preference Shares	10000000	-
<b>Key Managerial Person/ Persons having significant influence/ control/ major shareholder</b>				
vi	Lalit Bhasin	Sitting Fees paid	40000	40000
		Loans Received	46000000	-
		Loans Repaid	20000000	41500000
vii	Praveen Gupta	Remuneration & other services	3770999	3743061
viii	Radhika Khurana	Remuneration & other services	568014	487313

**RELATED PARTY BALANCES:**

Particulars	Nature of Balance	As at March 31, 2019 (in ₹)	As at March 31, 2018 (in ₹)
<b>Key Managerial Person / Persons having significant influence / control / major shareholder</b>			
Lalit Bhasin	Loan including Accrued Interest	80000000	54000000
<b>Enterprises under direct or indirect common control/significant influence of Key Managerial Person / Relative of Key Managerial Person</b>			
RRB Master Securities Delhi Ltd.	Security Deposit	215763	215763
HB Stockholdings Limited	Security Deposit	34500000	34500000
	Payable pursuant to Composite Scheme of Arrangement	-	4214449
HB Portfolio Limited	Security Deposit	34500000	34500000
	Receivable pursuant to Composite Scheme of Arrangement	-	5933540
Parsvnath HB Projects Pvt Ltd	Loan including accrued Interest	26476182	14196182

**45. IMPAIRMENT REVIEW**

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other Assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other Assets.

The measurement of the cash generating units value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short- to- mid-term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

**Operating Margins:** Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

**Discount Rate:** Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

**Growth Rate:** The Growth rate used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

**Capital Expenditure:** The Cash flow forecasts of Capital Expenditure are based on past experience coupled with additional Capital Expenditure required

**46. (a) C.I.F. value of Imports**

Particulars	As at March 31, 2019 (in ₹)	As at March 31, 2018 (in ₹)
Stores and Operating Supplies	1149871	2629412
Capital Goods	1857156	1242485



(b) Expenditure in foreign currency

Particulars	Year ended March 31, 2019 (in ₹)	Year ended March 31, 2018 (in ₹)
Legal & Professional	262122	543345
Advertisement	1087048	1600124
Others	15913746	12718069

(c) Earning in Foreign Currency:

Particulars	Year ended March 31, 2019 (in ₹)	Year ended March 31, 2018 (in ₹)
Sale/revenue	376475114	366827565

(d) Dividend paid in foreign currency- Nil (Previous Year Nil).

47. DISCLOSURE OF LOANS / ADVANCES IN THE NATURE OF LOANS IN TERMS OF PROVISION OF REGULATION 34 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Particulars	Outstanding Balance as on 31.03.2019	Max. Balance outstanding during the Year	Outstanding Balance as on 31.03.2018	Max. Balance outstanding during the Previous Year (in ₹)
Loans & Advances in the nature of Loans to Subsidiaries:-	Nil	Nil	Nil	Nil
Loans & Advances in the nature of Loans to Associates:-				
- Parsvnath HB Projects Pvt. Ltd.	26476182	26476182	14196182	14196182
Loans & Advances in the nature of Loans where there is no repayment schedule, no interest or interest below Section 372A of the Companies Act, 1956	Nil	Nil	Nil	Nil
Loans & Advances in the nature of Loans to Firms / Companies in which Directors are interested.	Nil	Nil	Nil	Nil
Investments by Loan in the Shares of Parent Company and Subsidiary Company when the Company has made Loan or Advance in the nature of Loan.	No. of Shares	Amount	No. of Shares	Amount
	Nil	Nil	Nil	Nil

48. DETAIL OF CONSUMPTION OF IMPORTED AND INDEGENOUS ITEMS:

Particulars	Current Year		Previous Year	
	Amount (In ₹)	% of Consumption	Amount (In ₹)	% of Consumption
(i) Raw Materials				
Imported	0	0.00	0	0.00
Indigenous	82959423	100.00	81992017	100.00
<b>Total</b>	<b>82959423</b>	<b>100.00</b>	<b>81992017</b>	<b>100.00</b>
(ii) Stores and Supplies				
Imported	1365922	3.73	1069189	2.25
Indigenous	35231074	96.27	46532579	97.75
<b>Total</b>	<b>36596996</b>	<b>100.00</b>	<b>47601768</b>	<b>100.00</b>

49. PENDING LITIGATIONS

The Contingent liability in respect of pending litigations is disclosed in note no. 43. In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the Company's results of operations or Financial Statements.

50. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

51. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013.

Name of the entity	Current Year			
	Net Assets i.e Total assets minus total Liabilities		Share in Profit/ Loss	
	As % of consolidated net assets	Amount (In ₹)	As % of consolidated Profit / Loss	Amount (In ₹)
1	2	3	4	5
<b>Parent</b>				
HB Estate Developers Ltd.	100.00 (100.00)	2196830939 (2381073826)	100.00 (100.00)	105681731 (162429286)
<b>Associates (Investments as per Equity method)</b>				
Parsvnath HB Projects Pvt. Ltd.	(0.00) (0.00)	- -	(0.00) (0.00)	- -
<b>Total</b>	<b>100.00</b> <b>(100.00)</b>	<b>2196830939</b> <b>(2381073826)</b>	<b>100.00</b> <b>(100.00)</b>	<b>105681731</b> <b>(162429286)</b>

52. INTEREST IN ASSOCIATE

The Company has only one Associate whose principal activity is to carry on the business of real estate and carrying value of investment is nil.

Summarized Financial Information of Associate is as follow:

Particulars	As at 31 <sup>st</sup> March, 2019 (In ₹)	As at 31 <sup>st</sup> March, 2018 (In ₹)
<b>Assets</b>		
Non Current Assets	8188110	108550
Current Assets	1476112603	1404360894
<b>Liabilities</b>		
Non Current Liabilities	1026808309	942503372
Current Liabilities	546031588	526096086
Equity	(88539184)	(64130014)

Summary of Statement of Profit and Loss of Associate is as follow:

Particulars	Year ended March 31, 2019 (In ₹)	Year ended March 31, 2018 (In ₹)
Revenue	-	-
Net Loss	(1413501)	(13202096)
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>(1413501)</b>	<b>(13202096)</b>

53. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

The accompanying notes from part of the Consolidated Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD  
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820	Sd/- J.M.L. SURI (DIRECTOR) DIN:00002373	Sd/- ANIL GOYAL (DIRECTOR) DIN:00001938
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Sd/- PRAVEEN GUPTA PLACE : GURUGRAM (CHIEF FINANCIAL OFFICER) DATE : 27.05.2019	Sd/- RADHIKA KHURANA (COMPANY SECRETARY) M.NO.: ACS-32557
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**Form AOC-1**

**Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures.**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries: Not Applicable**

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associate Company	Parsvnath HB Projects Pvt. Ltd
1.	Latest Audited Balance Sheet Date	24.05.2019
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	24020
	Amount of Investment in Associates/Joint Venture	Rs. 2,40,200/-
	Extend of Holding%	49.00
3.	Description of how there is significant influence	Shareholding of more than 20%
4.	Reason why the associate/joint venture is not consolidated	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
6.	Profit/Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	N.A.

FOR AND ON BEHALF OF THE BOARD

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

PLACE: GURUGRAM  
DATED: 27.05.2019



**HB ESTATE DEVELOPERS LIMITED**

**FORM NO. MGT-11**

**PROXY FORM**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L99999HR1994PL034146  
 Name of the Company : HB Estate Developers Limited  
 Registered Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram - 122 001 (Haryana)  
 Name of the Member(s) :  
 Registered Address :  
 Email ID :  
 Folio No./Client ID :  
 DP ID :

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint:

- 1) Name.....Address.....  
 Email.....Signature.....or failing him
- 2) Name.....Address.....  
 Email.....Signature.....or failing him
- 1) Name.....Address.....  
 Email.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company to be held on **Thursday, 19<sup>th</sup> September, 2019** at 11:00 A.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram – 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

- Adoption of Audited Financial Statements including Consolidated Financial Statements for the Financial Year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.
- Re-appointment of Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment.
- Continuation of the Appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N), Statutory Auditors of the Company.

**Special Business:**

- Appointment of Mr. Yash Kumar Sehgal (DIN: 03641168) to fill the Casual Vacancy. (Special Resolution)
- Appointment of Mrs. Banmala Jha as a Manager of the Company. (Special Resolution)
- Re-appointment of Mrs. Asha Meha (DIN:02658967) as an Independent Director of the Company (Special Resolution)
- Re-appointment of Mr. Rajesh Jain (DIN:00031590) as an Independent Director of the Company (Special Resolution)
- Continuation of Directorship of Mr. Jag Mohan Lal Suri (DIN: 00002373) Non – Executive Director of the Company (Special Resolution)

Affix  
Rupee 1/-  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of the Shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



**HB ESTATE DEVELOPERS LIMITED**

**ATTENDANCE SLIP**

**25<sup>TH</sup> ANNUAL GENERAL MEETING**

Date : 19<sup>th</sup> day of September, 2019  
 Time : 11.00 A.M.  
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 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 25th Annual General Meeting held on Thursday, 19th day of September, 2019 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana

Folio No. / DP-ID : .....

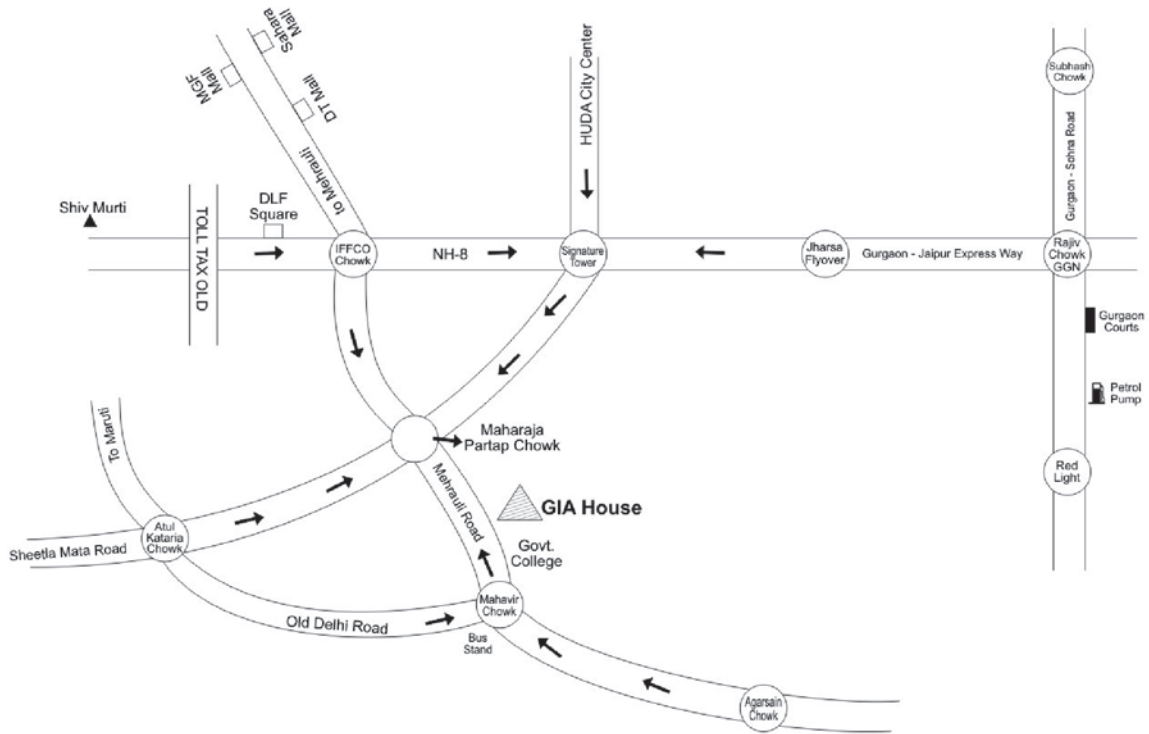
Client-ID : .....

No. of Shares : .....

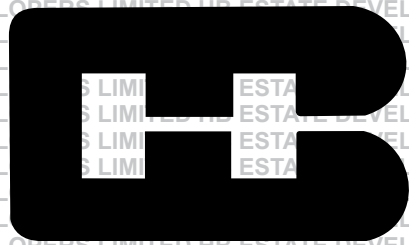
Signature(s).....

Members may please note that the GIA House 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.

# ROUTE MAP OF GIA HOUSE



25th  
Annual Report  
2018 - 19  
(Abridged)



**HB ESTATE DEVELOPERS LIMITED**



Company's Hotel Project- **"TAJ CITY CENTRE - GURUGRAM"** located at Plot No. 1, Sector 44, Gurugram, Haryana

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Mrs. Radhika Khurana

**CHIEF FINANCIAL OFFICER (CFO)**

Mr. Praveen Gupta

**MANAGER**

Mrs. Banmala Jha

**STATUTORY AUDITORS****G. C. Aggarwal & Associates**

Chartered Accountants  
240, Ghalib Apartments  
Parwana Road, Pitampura,  
Delhi - 110 034

**REGISTERED OFFICE**

Plot No. 31, Echelon Institutional Area,  
Sector-32, Gurugram - 122 001, Haryana  
Ph : 0124-4675500, Fax : 0124-4370985  
Email : corporate@hbestate.com  
CIN: L99999HR1994PLC034146

**WEBSITE**

<http://www.hbestate.com>

**REGISTRAR & SHARE TRANSFER AGENT****RCMC Share Registry Pvt. Ltd.**

**CIN: U67120DL1950PTC601854**

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

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 25<sup>TH</sup> ANNUAL GENERAL MEETING OF HB ESTATE DEVELOPERS LIMITED WILL BE HELD AS FOLLOWS:**

(Note: The Company is providing facility for voting by electronic means and the business of this meeting may be transacted through electronic voting system.)

**Day : Thursday**

**Date : 19<sup>th</sup> September, 2019**

**Time : 11.00 A.M.**

**Place : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram (Haryana) - 122 001**  
to transact the following business/(s):

**ORDINARY BUSINESS:**

**1. ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON.**

To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2019, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

**2. APPOINTMENT OF MR. ANIL GOYAL (DIN: 00001938), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.**

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

“RESOLVED THAT pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company.”

**3. CONTINUATION OF THE APPOINTMENT OF 'G.C. AGARWAL & ASSOCIATES' CHARTERED ACCOUNTANTS (FRN 017851N), STATUTORY AUDITORS OF THE COMPANY.**

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

“RESOLVED THAT pursuant to the amended provisions of Section 139(1) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in partial modification of the resolution passed by the Members of the Company at the 23<sup>rd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2017, the Company hereby dispenses with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this Resolution.”

**SPECIAL BUSINESS:**

**4. APPOINTMENT OF MR. YASH KUMAR SEHGAL (DIN: 03641168) TO FILL THE CASUAL VACANCY.**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 161(4) and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Mr. Yash Kumar Sehgal (DIN: 03641168) who has been appointed as Non-Executive Independent Director of the Company to fill the casual vacancy by the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 on the recommendation of the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby approved and he shall hold office up to the date the outgoing director would have held office.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**5. APPOINTMENT OF MRS. BANMALA JHA AS A MANAGER OF THE COMPANY**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 2(53), 196, 197, 198 and 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Banmala Jha, be and is hereby appointed as a Manager being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 27<sup>th</sup> May, 2019 to 26<sup>th</sup> May, 2022 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” with term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit.

RESOLVED FURTHER THAT subject to the provisions of Schedule V of the Companies Act, 2013, the said remuneration shall be payable as minimum remuneration comprising salary and other perquisites to the Manager in the event of absence/inadequacy of profits in any Financial Year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**6. RE-APPOINTMENT OF MRS. ASHA MEHRA (DIN: 02658967) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mrs. Asha Mehra (DIN: 02658967) who has already attained the age of seventy five years and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for second term of five (5) consecutive years with effect from 29<sup>th</sup> October 2019 to 28<sup>th</sup> October 2024 and she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**7. RE-APPOINTMENT OF MR. RAJESH JAIN (DIN: 00031590) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Rajesh Jain (DIN: 00031590) in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for second term of five (5) consecutive years with effect from 29<sup>th</sup> October 2019 to 28<sup>th</sup> October 2024 and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**8. CONTINUATION OF DIRECTORSHIP OF MR. JAG MOHAN LAL SURI (DIN: 00002373) NON-EXECUTIVE DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for continuation of Directorship of Mr. Jag Mohan Lal Suri (DIN: 00002373), who has already attained the age of seventy five years, as Non-Executive Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

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

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

**Place : Gurugram**  
**Date : 27<sup>th</sup> May, 2019**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.

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

2. SHAREHOLDERS OF THE COMPANY HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONVERT THEIR HOLDING INTO DEMAT FORM.

3. SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO PROVIDE / UPDATE THEIR E-MAIL ID WITH THEIR DEPOSITORY PARTICIPANT (DP) / COMPANY'S REGISTRAR & SHARE TRANSFER AGENT (RTA), RCMC SHARE REGISTRY PRIVATE LIMITED FOR COMMUNICATION PURPOSES.

4. An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and forms part of this Notice.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from 13<sup>th</sup> September, 2019 to 19<sup>th</sup> September, 2019 (Both days inclusive).



6. The Ministry of Corporate Affairs (MCA) has notified provisions relating to Unpaid / Unclaimed Dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 11,33,210/- (Rupees Eleven Lacs Thirty Three Thousand Two Hundred and Ten Only) to IEPF on 10<sup>th</sup> October, 2018 being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31<sup>st</sup> March, 2011. The detail of Unpaid / Unclaimed Dividend lying with the Company as on the date of the last Annual General Meeting in respect of the financial years from 2012 to 2013 is available on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and also on the website of the Company; [http://www.hbestate.com/Investor%20Information/Unpaid%20Dividend/index\\_2018.html](http://www.hbestate.com/Investor%20Information/Unpaid%20Dividend/index_2018.html)

The Company strongly recommends Shareholders to encash / claim their respective dividends within the period given below from the Company's Registrar and Share Transfer Agent:

Financial Year	Last Date for claiming Dividend	Unclaimed Dividend in ₹ (As on 31.03.2019)
2011-12	15 <sup>th</sup> October, 2019	12,37,271.00
2012-13	26 <sup>th</sup> December, 2022	8,94,887.50

Note: No Dividend has been declared by the Company after FY 2012-13.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules thereto, the Company has duly transferred all Equity Shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more to the specified DEMAT Account of the Investor Education and Protection Fund (IEPF) Authority, Ministry of Corporate Affairs after giving individual notice to all such Equity Shareholders and publication of newspaper advertisement thereto. The complete details of such Equity Shares transferred to IEPF Account is available on the website of the Company; <http://www.hbestate.com/Investor%20Information/transfer-of-equity/index.htm> Any further Dividend on such Equity Shares shall be credited to the IEPF Account. The Equity Shareholders may claim back their Shares along with the Unclaimed Dividend amount from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority; [iepf.gov.in/IEPFA/refund](http://iepf.gov.in/IEPFA/refund). The refund procedure is also available on the Company's website, <http://www.hbestate.com/Investor%20Information/transfer-of-equity/index.htm>

Mrs. Radhika Khurana, Company Secretary has been appointed as the Nodal Officer in terms of the provisions of IEPF Rules and complete details are available on the website of the Company; <http://www.hbestate.com/IEPF/index.html>

7. **THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) VIDE ITS CIRCULAR NO. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20TH APRIL, 2018 HAS DIRECTED ALL LISTED COMPANIES TO ENSURE THAT ANY PAYMENT OF DIVIDEND TO THE SHAREHOLDERS IS MADE THROUGH ELECTRONIC CHANNELS SUCH AS NECS/NEFT/RTGS. THE COMPANIES THROUGH THEIR REGISTRAR AND SHARE TRANSFER AGENTS (RTAs) ARE FURTHER DIRECTED TO COLLECT COPY OF PAN AND BANK ACCOUNT DETAILS OF ALL SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM. IN VIEW OF THE SAME,**

**(A) Members who hold shares in physical form are requested to:**

- (i) Furnish their PAN and Bank Account details to the Company or Company's Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd. along with self-attested copy of PAN Card and cancelled "Name printed Cheque" in original or copy of Bank Passbook / Bank Statement duly attested by the Bank.
- (ii) Convert their holding into Demat Form.
- (iii) Provide / update their E-mail ID for communication purpose.

**(B) Members who hold shares in demat form are requested to:**

- (i) Update their Bank Account details with the Depository Participant (DP) to avoid any kind of rejection by the banker; and
- (ii) Provide / update their e-mail ID with the Depository Participant (DP) for communication purpose.

**We wish to highlight the following benefits of receiving payments through the Electronic mode rather than receiving drafts / warrants in physical mode.**

- ✓ Ensures timely credit of funds to the specified accounts.
- ✓ Ensures credits are done seamlessly without manual intervention.
- ✓ Eliminates postal / mailing delays.
- ✓ Saves your effort of safekeeping and depositing of physical drafts / warrants at a bank.
- ✓ Helps track receipt of payments from the bank statements.

In compliance with the requirement of the said Circular, members holding securities in physical form were separately communicated by the Company's Registrar and Share Transfer Agent vide three letters at their registered address. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 01<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA for assistance in this regard.

8. Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
9. Corporate Members are requested to send a duly Certified Copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven (7) days before the date of the meeting so as to enable the management to keep the information ready.

11. Route map showing directions to reach the venue of the AGM is given at the end of the Annual Report as per the requirement of the Secretarial Standard-2 (SS-2) on "General Meeting".

12. Members are requested to:

- (a) Notify any change in their address including PIN CODE to the Registrar and Share Transfer Agent of the Company namely,  
**RCMC Share Registry Pvt. Ltd.**  
**B-25/1, First Floor,**  
**Okhla Industrial Area, Phase-II,**  
**New Delhi – 110 020**  
**Phone: 011 – 26387320, 26387321**  
**Fax: 011 – 26387322**  
**E-mail: investor.services@rcmcdelhi.com**
- (b) Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.

13. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL / CDSL will be deemed to be your registered email address for serving Notices / Documents including those covered under Section 136 of the Companies Act, 2013.

Electronic copies of the Annual Report, Notice along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses are registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same.

In other cases, hard copy of the Abridged Annual Report i.e. Statement containing salient features of Balance Sheet and Profit & Loss Account including Notice, Attendance Slip and Proxy Form is being sent to the Members by the permitted mode. The members who are desirous of receiving the Full Annual Report may write to the Company's RTA for a copy of the same.

Members may note that Notice of the Annual General Meeting, Abridged Annual Report, Full Annual Report, Attendance Slip and Proxy Form are also available on the website of the Company, [www.hbestate.com](http://www.hbestate.com).

14. **Voting through electronic means:**

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- (ii) The Company has engaged the services of Karvy Fintech Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 12<sup>th</sup> September, 2019**, may cast their vote by remote e-voting / at the meeting.
- (v) Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the cut-off date i.e. 12<sup>th</sup> September, 2019 may obtain the login Id and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- (vi) **The Remote e-voting period shall commence on (Monday), 16<sup>th</sup> September, 2019 (09.00 A.M) and ends on (Wednesday), 18<sup>th</sup> September, 2019 (05.00 P.M).** Thereafter, the Remote e-voting module shall be disabled by Karvy for voting.
- (vii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by Remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (viii) **Mr. Arun Kumar Gupta, Company Secretary in Whole-time Practice (Membership No.: 21227, C.P. No. 8003) failing him Mr. Kapoor Chand Garg, Company Secretary in Whole-time Practice (Membership No.: 7145, C.P. No.:7829) have been appointed as the Scrutinizer(s) for conducting the remote e-voting & polling process in a fair and transparent manner.**
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- (x) The Company shall submit to the Bombay Stock Exchange Limited (BSE), within forty eight hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, [www.hbestate.com](http://www.hbestate.com) and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.
- (xi) In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.



- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.
- **In case a Member receives notice through e-mail from Karvy [for Members whose e-mail IDs are registered with the Company / Depository Participants]:**
    - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
    - (b) Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - (c) After entering these details appropriately, click on "LOGIN".
    - (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - (e) You need to login again with the new credentials.
    - (f) On successful login, the system will prompt you to select the E-Voting Event Number for **HB Estate Developers Limited**.
    - (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
    - (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
  - (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
  - (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the **Scrutinizer at e-mail ID: aruncs.gupta@gmail.com** with a copy to **Karvy at e-mail ID: evoting@karvy.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
  - **In case a Member receives Notice in physical form [for Members whose e-mail IDs are not registered with the Company / Depository Participants]:**
    - (a) User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
    - (b) Please follow all steps given hereinabove, to cast your vote.
15. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
16. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.
17. Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India] are as under:

**PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT  
AT THIS ANNUAL GENERAL MEETING**

Name of the Director	(1) MR. ANIL GOYAL	(2) MR. YASH KUMAR SEHGAL
<b>Directors Identification Number (DIN)</b>	00001938	03641168
<b>Date of Birth</b>	22 <sup>nd</sup> February, 1959	10 <sup>th</sup> October, 1946
<b>Date of First Appointment on the Board</b>	20 <sup>th</sup> September, 1994	27 <sup>th</sup> May, 2019
<b>Profile / Expertise in Specific functional Areas.</b>	Mr. Anil Goyal is a fellow member of the Institute of Chartered Accountants of India. He brings with him more than three (3) decades of expertise in the fields of finance, taxation, investment banking, corporate restructuring and strategic planning.	Mr. Yash Kumar Sehgal has vast experience in the field of finance. He held various positions at Commercial Bank of Kuwait for more than two (2) decades. He has good expertise in framing policies and procedure for various services. He had also served as Acting Director, Administration & Finance, College of Banking & Finance, Muscat, Sultanate of Oman and also reported directly to the Governor of Central Bank of Oman.
<b>Qualifications</b>	B.Com, C.A.	Member of Chartered Institute of Bankers, London
<b>List of Directorship in other Companies</b>	<b>Listed Companies:</b> 1. HB Stockholdings Ltd. 2. HB Portfolio Ltd. 3. HB Leasing & Finance Co. Ltd. <b>Other Companies:</b> 4. HB Securities Ltd. 5. RRB Securities Ltd. 6. Mount Finance Ltd. 7. HB Corporate Services Ltd. 8. Bhasin Investments Ltd. 9. Taurus Investment Trust Company Ltd. 10. RRB House Finance Pvt. Ltd. 11. HB Financial Consultants Pvt. Ltd.	<b>Listed Companies:</b> 1. CHL Ltd. <b>Other Companies:</b> 2. Taurus Investment Trust Co. Ltd. 3. CHL (South) Hotels Ltd. 4. Malbros Holdings Private Limited 5. Mohan Rocky Spring Water Breweries Limited
<b>Membership of Committee of the Board in other Companies.</b>	<b>Audit Committee</b> 1. HB Stockholdings Ltd. (Member) <b>Stakeholders Relationship Committee</b> 2. HB Portfolio Ltd. (Member) 3. HB Leasing & Finance Co. Ltd. (Member) 4. RRB Securities Ltd. (Member) 5. HB Stockholdings Ltd. (Member) <b>Nomination and Remuneration Committee</b> 6. RRB Securities Ltd. (Member) <b>CSR Committee</b> 7. HB Stockholdings Ltd. (Member) 8. HB Portfolio Ltd. (Member)	<b>Audit Committee</b> 1. CHL Ltd. (Chairman) 2. CHL (South) Hotels Ltd. (Chairman) 3. Taurus Investment Co. Ltd. (Member) <b>Stakeholders Relationship Committee</b> 4. CHL Ltd. (Chairman) <b>Nomination and Remuneration Committee</b> 5. CHL Ltd. (Member) 6. CHL (South) Hotels Ltd. (Chairman) <b>CSR Committee</b> 7. CHL Ltd. (Chairman)
<b>No. of Equity Shares held</b>	NIL	NIL
<b>No. of Board Meetings attended/ entitled to attend during the year</b>	4/4	N.A
<b>Whether related to any Board Members, Manager or KMP of the Company</b>	No	No



Name of the Director	(3) MRS. ASHA MEHRA	(4) MR. RAJESH JAIN
Directors Identification Number (DIN)	02658967	00031590
Date of Birth	08th August, 1940	24th February, 1956
Date of First Appointment on the Board	12th August, 2009	29th August, 2007
Profile / Expertise in Specific functional Areas.	She has held various prestigious positions with Government of India like Assistant/ Deputy Commissioner of Income Tax, Deputy Director, Income Tax, Commissioner of Income Tax, New Delhi, Chief Commissioner of Income Tax, Rajasthan, Member, Central Board of Direct Taxes (CBDT) etc.  She has also worked as Member and Chairperson of Income Tax Settlement Commission, Principal Bench, New Delhi.	Mr. Rajesh Jain has extensive experience as Entrepreneur in Construction, Exports and International Trading and Software Development Industry. Has more than a decade of overseeing various activities of construction Industry both in India and overseas.
Qualifications	Post Graduate, I.A.S	Graduate
List of Directorship in other Companies	<b>Listed Companies:</b> 1. HB Stockholdings Ltd.	<b>Other Companies:</b> 1. Trident Information Systems Pvt. Ltd. 2. Harmonics Intellect Pvt. Ltd. 3. Arvind Trading Pvt. Ltd. 4. Agarwal Garment Stitchers Pvt. Ltd. 5. BSP Constructions Pvt. Ltd.
Membership of Committee of the Board in other Companies.	<b>Nomination and Remuneration Committee</b> 1. HB Stockholdings Ltd. (Member)	None
No. of Equity Shares held	NIL	NIL
No. of Board Meetings attended/ entitled to attend during the year	4/4	4/4
Whether related to any Board Members, Manager or KMP of the Company	No	No

Name of the Director	(5) MR. JAG MOHAN LAL SURI
Directors Identification Number (DIN)	00002373
Date of Birth	27 <sup>th</sup> April, 1938
Date of First Appointment on the Board	18 <sup>th</sup> August, 1994
Profile / Expertise in Specific functional Areas.	Mr. Jag Mohan Lal Suri is an Engineer by profession. He headed the operations of a Swedish Multinational before his association with the HB Group. He brings with him decades of long experience in Corporate Administration.
Qualifications	B.E
List of Directorship in other Companies	<b>Listed Companies:</b> 1. HB Portfolio Ltd. <b>Other Companies:</b> 2. HB Corporate Services Ltd. 3. RRB Securities Ltd. 4. Mount Finance Ltd. 5. AHL Hotels Limited 6. Bhasin Share & Stock Brokers Ltd. 7. Raja Ram Bhasin Share & Stock Brokers Ltd. 8. Pal Properties (India) Pvt. Ltd.
Membership of Committee of the Board in other Companies.	<b>Audit Committee</b> 1. RRB Securities Ltd. (Member) 2. HB Portfolio Ltd. (Member) <b>Stakeholders Relationship Committee</b> 3. RRB Securities Ltd. (Chairman) 4. HB Portfolio Ltd. (Chairman) <b>Corporate Social Responsibility Committee</b> 5. HB Portfolio Ltd. (Member) <b>Finance and Borrowings Committee</b> 6. HB Portfolio Ltd. (Member) <b>Finance and Borrowings Committee</b> 7. HB Portfolio Ltd. (Member)
No. of Equity Shares held	709 (Jointly held with his wife)
No. of Board Meetings attended/ entitled to attend during the year	4/4
Whether related to any Board Members, Manager or KMP of the Company	No

BY ORDER OF THE BOARD  
For HB ESTATE DEVELOPERS LIMITED

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

Place : Gurugram  
Date : 27<sup>th</sup> May, 2019



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

**ITEM No. 4**

Pursuant to the provisions of Sections 161(4) and other applicable provisions, if any of the Companies Act, 2013 (‘the Act’) and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended, the Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 27th May, 2019 appointed Mr. Yash Kumar Sehgal (DIN: 03641168) aged 72 years as a Non-Executive Independent Director of the Company to fill the casual vacancy caused due to resignation of Mr. Luv Malhotra, Director of the Company, who shall hold office till 21st September, 2020 (the date the outgoing Director would have held office).

As per the provisions of Sec 161(4), if the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default be filled by the Board of Directors at the meeting of the Board, which shall be subsequently approved by the shareholders in the immediate next general meeting.

The Company has received requisite consent from him to act as Director of the Company and a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Yash Kumar Sehgal fulfills the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is Independent of the management. He is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for his appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company’s registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Yash Kumar Sehgal are given in Notes forming part of the Notice.

Except, Mr. Yash Kumar Sehgal and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set forth at Item No. 4 for the approval of the members.

**ITEM No. 5**

Mrs. Banmala Jha aged 61 years has done M.A. (English) and L.L.B. She has more than 20 years of rich experience in the legal field. She is associated with HB Group for more than 15 years in the Legal Department. Before joining HB Group, she was associated with Flex Group.

Pursuant to the provisions of Sec 203 of the Companies Act, 2013 read with applicable rules made thereunder, the Company is required to appoint a whole-time Key Managerial Personnel viz. Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director.

Considering her long term association, vast experience and valuable contribution in the Company and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 appointed Mrs. Banmala Jha as a Manager being the Key Managerial Personnel (KMP) of the Company for period of three (3) years with effect from 27<sup>th</sup> May, 2019 to 26<sup>th</sup> May, 2022 subject to the approval of the Shareholders of the Company on the terms and conditions as details herein below:

**a) BASIC SALARY**

Rs. 48,000/- (Rupees Forty Eight Thousand only) per month.

**b) HOUSE RENT ALLOWANCE**

Rs. 28,800/- (Rupees Twenty Eight Thousand Eight Hundred only) per month.

**c) MEDICAL**

Reimbursement of medical expenses (incurred for self and family) up to a maximum of Rs. 48,000/- (Rupees Forty Eight only) per annum.

**d) PROVIDENT FUND**

12% of basic salary shall be deducted towards contribution to Provident Fund. Company’s contribution towards Provident Fund shall be made as prescribed under the provisions of law applicable in this regard.

**e) LEAVE TRAVEL ASSISTANCE**

One Month basic salary as Leave Travel Assistance in a year when she proceeds on earned leave as per rules laid down.

**f) SPECIAL ALLOWANCE**

Rs. 21,500/- (Rupees Twenty One Thousand Five Hundred only) per month

g) She shall not receive any presents, commission, gifts, loans, advances or any sort of benefits in cash or in kind from any person, party or firm or Company having dealing or any connection with the Company and if she is offered the same, she shall immediately report the matter to the Company in writing and should he receive any offerings, he hereby undertake to hand over the same to the Company forthwith.

h) She shall devote her time and attention exclusively to the business and interests of the Company and shall not engage in any other commercial business or pursuit part-time or otherwise and shall not undertake part-time assignment or work on advisory capacity for any other person and/or concern either on her accord or as an agent for others except with prior consent in writing from the Company or unless she is deputed to do so by the Company.

- i) She shall keep all information and secrets of the Company to herself and shall not disclose and use them for any other purpose. She shall undertake and agree that all property including all correspondence addressed to her or by her, specifications, vouchers, literatures, books, circulars, articles, goods etc. relating to the Company’s business which shall come into her possession in the course of her employment or otherwise shall be held by her as a trustee for the Company and shall deliver the same to the Company on demand without claiming any lien or right whatsoever thereon.
- j) She shall be entitled to leaves in accordance with the policy of the Company. Leaves accumulated and not availed of, in excess of 90 days as at the end of every financial year shall be encashed yearly on the basis of basic salary drawn as at the end of the said financial year and the balance unencashed accumulated leaves may be encashed at the time of leaving the services of the Company.
- k) Her services will be subject to all Rules and Regulations of the Company prescribed from time to time.
- l) The appointment may be terminated by one month’s notice or in lieu thereof pay and allowances as admissible. She may also leave the services of the Company by giving one month notice or in lieu thereof pay and allowances as admissible.
- m) If any declaration or information furnished by her found to be false or if she is found to have willfully suppressed any material information, she shall be terminated from the services of the Company without any notice.

The above remuneration shall be payable as minimum remuneration to her in the event of absence / inadequacy of profits in any financial year, subject to the overall ceilings laid down in Schedule V of the Companies Act, 2013.

Mrs. Banmala Jha satisfies all the conditions set out in Part-1 of Schedule V of the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for appointment.

**Additional disclosures mentioned in Para (B) (iv) of Section II of Part II of Schedule V of the Companies Act, 2013 is as under:**

**I. GENERAL INFORMATION**

(1) Nature of Industry	Construction and Hotels	
(2) Date or expected date of Commencement of Production	Existing Company. The Company is not engaged in any manufacturing activities.	
(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.	N.A.	
(4) Financial Performance based on given indicators –	(₹ in lacs)	
Particulars	2018-2019	2017-2018
Total Sales and Other Income	9077.45	8470.86
Profit Before Depreciation, Interest and Taxes	2976.98	2222.80
Provision for Depreciation	1417.29	1435.70
Interest	2770.30	2668.61
Provision for Taxation	(167.67)	(250.88)
Net Profits	(1042.93)	(1630.62)
(5) Foreign Investments or collaborators, if any.	The Company has no foreign investments or foreign collaborations.	

**II. INFORMATION ABOUT THE APPOINTEE**

(1) Background details	Mrs. Banmala Jha has done M.A. (English) and L.L.B. She has more than 20 years of experience in the legal field.
(2) Past remuneration	₹15,33,600 for the period from 01 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019.
(3) Recognition or awards	None
(4) Job profile and his suitability	To look after and manage whole of the affairs of the Company, a person should be expert in analysis and complete understanding of the organisation processes and the Industry in which it operates. Considering her long terms association with rich and vast experience in the legal field, she is most suitable for this job.
(5) Remuneration proposed	Remuneration as detailed in the explanatory statement set forth hereinabove.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. Having regard to the type of industry, trends in the industry, the responsibilities, academic background and capabilities, the Company believes that the remuneration proposed is appropriate.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	She does not have any other pecuniary relationship with the Company nor is she related to or has pecuniary relationship with any of the Managerial personnel of the Company.



**III. OTHER INFORMATION**

(1)	<b>Reasons of loss or inadequate profits</b>	The Company has increased its revenue in past years and also posted profits but the profit margins are inadequate primarily due to business environment.
(2)	<b>Steps taken or proposed to be taken for improvement</b>	The Company has embarked on a series of strategic and operational measures that are expected to result in the improvement in the present position.
(3)	<b>Expected increase in productivity and profits in measurable terms.</b>	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

**IV. DISCLOSURE**

Remuneration package of Mrs. Banmala Jha has been disclosed in the commencing paragraph of this Explanatory Statement.

Except Ms. Banmala Jha and / or her relatives, none of the other Directors and Key Managerial Personnel (KMP) or their relatives is concerned or interested, financially or otherwise in the resolution.

The Board recommends the Special Resolution at Item No. 5 of the Notice for the approval of the members.

**ITEM NO. 6:**

Mrs. Asha Mehra (DIN: 02658967) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in the Annual General Meeting held on 29<sup>th</sup> October, 2014 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ('the Act') read with Schedule IV to the Act and Clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchange.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director. Pursuant to Regulation 17(1A) of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special resolution is passed to that effect.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 12<sup>th</sup> February, 2019 and 27<sup>th</sup> May, 2019 considered and recommended the re-appointment of Mrs. Asha Mehra (DIN: 02658967) aged 78 years as Non-Executive Independent Director of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any SEBI Order or any other such Authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

In the opinion of the Board, Mrs. Asha Mehra fulfills the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 and she is independent of the management. She is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for her re-appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mrs. Asha Mehra are given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company based on her performance evaluation, knowledge, background, extensive experience and contributions made by them during her tenure, it is desirable to re-appoint her as Non-Executive Independent Director of the Company for second term of five consecutive years. The Board recommends the Special Resolution(s) at Item No. 6 of the Notice for the approval of the Members.

Except Mrs. Asha Mehra and / or her relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution(s).

**ITEM NO. 7:**

Mr. Rajesh Jain (DIN: 00031590) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in the Annual General Meeting held on 29<sup>th</sup> October, 2014 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ('the Act') read with Schedule IV to the Act and Clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchange.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 27<sup>th</sup> May, 2019 considered and recommended the re-appointment of Mr. Rajesh Jain (DIN: 00031590) as Non-Executive Independent Director of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any SEBI Order or any other such Authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Rajesh Jain fulfills the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 and he is independent of the management. he is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for his re-appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Rajesh Jain are given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mr. Rajesh Jain would be beneficial to the Company based on his performance evaluation, knowledge, background, extensive experience and contributions made by them during his tenure, it is desirable to re-appoint him as Non-Executive Independent Director of the Company for second term of five consecutive years. The Board recommends the Special Resolution(s) at Item No.7 of the Notice for the approval of the Members.

Except Mr. Rajesh Jain and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution(s).

**ITEM NO. 8:**

Mr. Jag Mohan Lal Suri (DIN: 00002373), Non-Executive Director is 81 years old and is associated with the Company since 1994. Mr. Jag Mohan Lal Suri is highly experienced in Corporate Administration and has successfully contributed towards the growth of the Company.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 12<sup>th</sup> February, 2019 considered and recommended for the continuation of directorship of Mr. Jag Mohan Lal Suri as Non-Executive Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Jag Mohan Lal Suri are given in Notes forming part of the Notice.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

The Board recommends to the Shareholders that the association of Mr. Jag Mohan Lal Suri would be beneficial to the Company considering his knowledge, background, extensive experience and contributions made by him during his tenure and it is desirable to continue his Directorship as Non-Executive Director of the Company. The Board recommends the Special Resolution at Item No. 8 of the Notice for the approval of the Members.

Except Mr. Jag Mohan Lal Suri and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

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

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

**Place : Gurugram  
Date : 27<sup>th</sup> May, 2019**


**DIRECTORS' REPORT**
**To the Members**

Your Directors are pleased to present the 25<sup>th</sup> Abridged Annual Report together with Abridged Audited Financial Statements including Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019

Salient Features of the Directors Report are as follows:

**FINANCIAL RESULTS:**

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

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Total Revenue</b>	<b>9077.45</b>	8470.86	<b>9077.45</b>	8470.86
Expenditure	<b>6100.47</b>	6248.06	<b>6100.47</b>	6248.06
Finance Cost	<b>2770.30</b>	2668.61	<b>2770.30</b>	2668.61
Depreciation	<b>1417.29</b>	1435.70	<b>1417.29</b>	1435.70
<b>Profit for the year before Tax</b>	<b>(1210.60)</b>	(1881.50)	<b>(1210.60)</b>	(1881.50)
Tax Expense	<b>(167.67)</b>	(250.88)	<b>(167.67)</b>	(250.88)
<b>Profit for the year after Tax</b>	<b>(1042.93)</b>	(1630.62)	<b>(1042.93)</b>	(1630.62)
Other Comprehensive Income	<b>(3.44)</b>	6.33	<b>(3.44)</b>	6.33
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>(1046.37)</b>	(1624.29)	<b>(1046.37)</b>	(1624.29)

**DIVIDEND**

In view of the current year losses, your Directors regret their inability to recommend dividend for the year under review.

**TRANSFER TO GENERAL RESERVE**

The Board of Directors of your Company has decided not to transfer any amount to the General Reserve for the year under review.

**SCHEME OF ARRANGEMENT**

The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh vide its Order Dated 22<sup>nd</sup> December, 2017 sanctioned the Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956. The Scheme came into effect on 30<sup>th</sup> January, 2018 from the Appointed Date(s) i.e. 01<sup>st</sup> April, 2015 & 03<sup>rd</sup> April, 2015 in a manner more particularly defined in the Scheme. The Copy of Scheme of Arrangement along with all other documents are available on the Company's website having following web link, <http://www.hbestate.com/Investor%20Information/schemes/index.htm>

**SHARE CAPITAL**

The Company's issued and subscribed share capital consists of Equity and Redeemable Preference Share Capital. The Paid up Share Capital of the Company as on 31<sup>st</sup> March, 2019 stood at ₹ 1,04,45,99,470/- comprising of 19459947 Equity Shares of ₹ 10/- each and 8500000 Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 100/- each.

During the year under review, the Company has issued 2000000 Redeemable Preference Non - Cumulative Non - Convertible Preference Shares of ₹ 100/- each on Private Placement basis.

**PUBLIC DEPOSITS**

The Company has not accepted any Deposits from the Public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**SIGNIFICANT AND OTHER MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators or Courts or Tribunal during the year under review which has an impact on the Going Concern status and Company's operations in future.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary and Joint Venture and no Company has become or ceased to be Company's Subsidiary or Joint Venture during the year under review.

In terms of Sec 2(6) of the Companies Act, 2013, Parsavnath HB Projects Pvt. Ltd. is the Associate Company. A separate statement containing the salient features of the Financial Statement of the Company's & Associate is being provided in **Form AOC-1**.

**AUDITORS**
**(i) Statutory Auditors**

The Shareholders in the 23<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 had appointed 'G. C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors for a term of five (5) consecutive years i.e. from the conclusion of the 23<sup>rd</sup> Annual General Meeting to the conclusion of 28<sup>th</sup> Annual General Meeting to be held in the year 2022.

As per the amended provisions of Sec 139(1) of the Companies Act, 2013, the requirement of ratification of the appointment of Statutory Auditors by members at every general meeting has been omitted. Accordingly, the resolution is proposed for the approval of members at the ensuing Annual General Meeting to dispense with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements. No fraud has been noticed or reported by the Statutory Auditor's during the course of their Audit.

**(ii) Internal Auditors**

'Marv & Associates LLP', Chartered Accountants, New Delhi perform the duties of the Internal Auditors of the Company and their report is reviewed by the Audit Committee on quarterly basis.

**(iii) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A.N. Kukreja, Proprietor, 'A.N. Kukreja & Co.', Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as a part of detailed Directors report as "**ANNEXURE – I**".

The Secretarial Auditors have made following observations in their Secretarial Audit Report:

- (a) *The Company did not have Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director during the year under review. In order to comply with the said requirement, the Company has appointed Manager effective from 27<sup>th</sup> May, 2019 being its Key Managerial Personnel (KMP) as per the provisions of Section 203 of the Companies Act, 2013.*

**Director's Comment:** No comments required as the Auditors observation is self explanatory in itself.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

- (i) Mr. Anil Goyal (DIN: 00001938), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.
- (ii) Mr. Luv Malhotra (DIN: 00030477), Non-Executive Independent Director resigned from the Board on 18<sup>th</sup> January, 2019 due to his pre-occupations and other various business commitments and there were no other material reasons other than those provided.
- (iii) Mr. Yash Kumar Sehgal (DIN: 03641168), proposed for your further approval, who has been appointed as Non-Executive Independent Director of the Company to fill the casual vacancy by the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 and shall hold office up to the date the outgoing Director would have held office.
- (iv) Mrs. Banmala Jha, proposed for your further approval, who has been appointed as Manager being the Key Managerial Personnel of the Company by the Board of Directors in their meeting held on 27<sup>th</sup> May, 2019 for a period of three (3) years with effect from 27<sup>th</sup> May, 2019 to 26<sup>th</sup> May, 2022.
- (v) Mrs. Asha Mehra (DIN: 02658967) aged 78 years and Mr. Rajesh Jain (DIN: 00031590) aged 63 years are proposed to be re-appointed as Non-Executive Independent Directors for second term of five (5) consecutive years with effect from 29<sup>th</sup> October, 2019 to 28<sup>th</sup> October, 2024. The Board of Directors recommends their re-appointment.
- (vi) The Board of Directors recommend to continue the Directorship of Mr. Jag Mohan Lal Suri (DIN: 00002373) aged 81 years, as a Non-Executive Director of the Company.

**MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT**

As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report; a Report on the Corporate Governance together with the Compliance Certificate from the Company's Statutory Auditor's confirming compliance(s) forms an integral part of the detailed Directors report.

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as provided under sub-section (3) of Section 92 in **Form MGT-9** is enclosed as a part of the detailed Director's report as "**ANNEXURE – II**".

**ACKNOWLEDGMENTS**

Your Directors wish to thank and acknowledge the co-operation, assistance and support extended by the Banks, Company's Shareholders and Employees.

**For and on behalf of the Board**

**Sd/-**

**LALIT BHASIN**

**(Chairman)**

**DIN: 00002114**

**Place: Gurugram**  
**Date: 27<sup>th</sup> May, 2019**

**Note:** Detailed Director's Report is given in the full Annual Report available on the website of the Company having following weblink, <http://www.hbestate.com/Investor%20Information/Annual%20Reports/index.html>



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
HB ESTATE DEVELOPERS LIMITED**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statement of **HB ESTATE DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and its loss, total Comprehensive Income, its cash flows and the changes in Equity for the year ended on that date.

**Basis of Opinion**

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our Audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Key Audit Matters**

We have determined that there are no key Audit matter to communicate in our report.

**Information other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial position, Financial performance including other Comprehensive Income, cash flows and changes in Equity of the Company in accordance with the IND AS and other Accounting Principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibility**

Our Objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an Audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal Control.
- Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the Audit and significant Audit findings, including any significant deficiencies in internal control that we identify during our Audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the Audit of the Standalone Financial Statements for the Financial Year ended March 31, 2019 and are therefore the key Audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
- (e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2019 on its financial position in its Financial Statements – Refer Note No 49
  - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2019
  - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2019.
- (h) With respect to the matter to be included in the Auditor's Report under Section 197(16):  
The Company has not paid any managerial remuneration for the year ended 31st March, 2019 to its Directors.

**FOR G. C. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/-  
**G C AGARWAL**  
(PROPRIETOR)  
Membership No. 083820

PLACE : Gurugram  
DATED : 27/05/2019

**ANNEXURE - A**

The Annexure referred to in our report of even date to the members of **HB Estate Developers Limited** on the accounts for the year ended March 31, 2019

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 management during the year has physically verified the Fixed Assets 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) The title deeds of Immovable Property are held in the name of the Company and the same are lying with the bank in connection with the borrowings made by the Company.
2. As explained to us, Inventories have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of Inventory as compared to the book records were not material.
3. (a) The Company has not granted during the year any Loans, Secured or Unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act'). However, in respect of one Company, the outstanding recoverable as at the beginning of the year was ₹1,41,96,182/- (Including interest receivable) and the maximum amount outstanding at any time during the year and year end balance is ₹ 2,64,76,182/- including interest receivable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, as applicable to it, with respect to the Loans and Investment made, to the extent applicable to the Company. As per the information and explanation given to us, the Company has not given any Guarantee or provided any Security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any Deposits from the Public.
6. The nature of the Company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the Company.
7. (a) According to the records of the Company, undisputed Statutory Dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods & Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other Statutory Dues to the extent and as applicable to the Company have been generally regularly deposited by the Company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date of becoming payable.
- b. According to the records of the Company, the disputed Statutory Dues that have not been deposited on account of the matters pending before appropriate authorities as on 31st March, 2019 are as under:-
  - (i) Property tax demand of ₹ 68,02,674/- 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 (refer note no.43.(i))
  - (ii) Vacant Land tax demand of ₹ 2,28,616/- which is being contested by Company in Delhi High Court. (refer note no.43.(i))
  - (iii) Ground Rent as explained in note no.43.(ii)
  - (iv) VAT/Sales tax demand of ₹ 16,17,09,502/- in note no. 43(i)
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of Loans/Borrowings from Bank/ Financial institution. There are no Loans or Borrowings taken by the Company from Government or Debenture Holders during the year.
9. The Company did not raise any money by way of Initial Public Offer or Further Public Offer (including Debt Instruments) during the year. The Term Loans were applied for the purpose for which those were raised.
10. In our opinion and according to the information and explanation given to us, no fraud by the Company or on the Company by its Officers or Employees has been noticed or reported during the course of our Audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the Related Parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has made private placement of Preference shares during the year in compliance with the provision of Section 42 of the Act and the amount raised have been used for the purpose for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, Paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR G. C. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/-  
**G C AGARWAL**  
(PROPRIETOR)  
Membership No. 083820

PLACE : Gurugram  
DATED : 27/05/2019



Annexure referred to in our report of even date to the members of **HB Estate Developers Limited** on the Accounts for the year ended 31<sup>st</sup> March, 2019

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have Audited the Internal Financial Controls over Financial Reporting of **HB Estate Developers Limited** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our Audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company and the components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our Audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Standalone Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Control over Financial Reporting to future periods are subject to the risk that the Internal Financial Control over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control system over Financial Reporting and such Internal Financial Control over Financial Reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the Internal Control over Financial Reporting criteria established by the Company and the components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**FOR G. C. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/-  
**G C AGARWAL**  
(PROPRIETOR)  
Membership No. 083820

PLACE : Gurugram  
DATED : 27/05/2019

**INDEPENDENT AUDITOR'S REPORT ON  
ABRIDGED STANDALONE FINANCIAL STATEMENTS**

To  
The Members  
HB Estate Developers Limited

**Report on the Abridged Standalone Financial Statements**

The accompanying Abridged Standalone Financial Statements, which comprise the Abridged Balance Sheet as at March 31, 2019, the Abridged Statement of Profit and Loss, the Abridged Statement of Changes in Equity and Abridged Cash Flow Statement for the year then ended, and related notes, are derived from the Audited Standalone Financial Statements of **HB Estate Developers Limited** (hereinafter referred to as "the Company") for the year ended 31 March, 2019. We expressed an unmodified Audit opinion on those Standalone Financial Statements vide our report dated 27<sup>th</sup> May, 2019.

The Abridged Standalone Financial Statements do not contain all the disclosures required by the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013 ('the Act') and Accounting Principles generally accepted in India, applied in the preparation of the Audited Standalone Financial Statements of the Company. Reading the Abridged Standalone Financial Statements, therefore, is not a substitute for reading the Audited Standalone Financial Statements of the Company.

**Management's Responsibility for the Abridged Standalone Financial Statements**

The Company's Board of Directors is responsible for the preparation of a summary of the Audited Standalone Financial Statements in accordance with first proviso to Section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the Audited Standalone Financial Statements for the year ended 31 March, 2019, prepared in accordance with Indian Accounting Standard (Ind AS) referred to in Section 133 of the Act and Accounting Principles generally accepted in India.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Abridged Standalone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India

**Opinion**

In our opinion, the Abridged Standalone Financial Statements, prepared in accordance with first proviso to Section 136(1) of the Act read with Rule 10 of Companies (Accounts) Rules, 2014 are derived from the Audited Standalone Financial Statements of the Company for the year ended 31 March, 2019 and are a fair summary of those Standalone Financial Statements.

**FOR G C AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

**G C AGARWAL**  
(PROPRIETOR)  
Membership No. 083820

PLACE : Gurugram  
DATED: 27/05/2019



FORM AOC-3

Statement containing the salient features of Financial Statements as per first proviso to sub-section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014

ABRIDGED STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

Sr. No.	Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
<b>I</b>	<b>ASSETS</b>		
(1)	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	4473450468	4604797453
	(b) Other Intangible Assets	1815698	2953177
	(c) Financial Assets		
	(i) Investments	140931862	215269435
	(ii) Other Financial Assets	21351760	7015949
	(d) Deferred Tax Assets (Net)	407095134	388024876
	(e) Other Non Current Assets	3339220	3443964
		<b>5047984142</b>	<b>5221504854</b>
(2)	<b>Current Assets</b>		
	(a) Inventories	138529757	172485945
	(b) Financial Assets		
	(i) Trade Receivables	34612102	32833620
	(ii) Cash and Cash Equivalents	90348558	69841161
	(iii) Other Bank Balances other than (ii) above	4270394	12288372
	(iv) Loans	28118292	39417826
	(v) Other Financial Assets	373054	904188
	(c) Current Tax Assets (Net)	34088819	36972121
	(d) Other Current Assets	52844965	85970382
		<b>383185941</b>	<b>450713615</b>
	<b>Total Assets</b>	<b>5431170083</b>	<b>5672218469</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Equity</b>		
	(a) Equity Share Capital	197336908	197336908
	(b) Other Equity	2000538420	2183736918
		<b>2197875328</b>	<b>2381073826</b>
	<b>Liabilities</b>		
(2)	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	2683870834	2705928949
	(ii) Other Financial Liabilities	89913720	90494458
	(b) Provisions	5950804	4729842
		<b>2779735358</b>	<b>2801153249</b>
(3)	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	148944133	151298483
	(ii) Trade Payables		
	-Total outstanding dues of micro enterprises and small enterprises	3815342	1095533
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	117836541	152018029
	(iii) Other Financial Liabilities	163886869	150834751
	(b) Other Current Liabilities	17816471	33648250
	(c) Provisions	1260041	1096348
		<b>453559397</b>	<b>489991394</b>
	<b>Total Equity and Liabilities</b>	<b>5431170083</b>	<b>5672218469</b>

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N

FOR AND ON BEHALF OF THE BOARD

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

PLACE: GURUGRAM  
DATED: 27.05.2019

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

**Note:** Complete Standalone Balance Sheet, Statement of Changes in Equity, Standalone Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link <http://www.hbestate.com/Investor%20Information/Annual%20Reports/index.html> Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.



**ABRIDGED STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2019**

Sr. No.	Particulars	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2018 (In ₹)
I	Revenue from Operations	892200847	837787867
II	Other Income	15544437	9298466
III	<b>Total Income (I+II)</b>	<b>907745284</b>	<b>847086333</b>
IV	<b>Expenses:</b>		
	Food and Beverages Consumed	82959423	81992017
	Changes in inventories of Finished Goods/ Stock-in-Trade	26798206	-
	Employee Benefit Expense	195990778	196905676
	Finance Costs	277029894	266860892
	Depreciation and Amortization Expense	141728862	143569791
	Other Expenses	304298561	345908335
	<b>Total Expenses (IV)</b>	<b>1028805724</b>	<b>1035236711</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(121060440)</b>	<b>(188150378)</b>
VI	<b>Exceptional items</b>	-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>(121060440)</b>	<b>(188150378)</b>
VIII	<b>Tax expense:</b>		
	Current tax	-	-
	Income Tax Earlier Years	2161340	-
	Deferred Tax	(18928787)	(25088319)
IX	<b>Profit/(Loss) for the year after tax</b>	<b>(104292993)</b>	<b>(163062059)</b>
X	<b>Other Comprehensive Income</b>		
	A (i) Items that will not be reclassified to profit or loss		
	Re-measurement gains (losses) on defined benefit plans	(485821)	892739
	Income tax effect on above	141471	(259966)
	<b>Total Other Comprehensive Income</b>	<b>(344350)</b>	<b>632773</b>
XI	<b>Total Comprehensive Income for the period (IX+X) (comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>(104637343)</b>	<b>(162429286)</b>
XII	<b>Earning per equity share:</b>		
	Equity share of Par value ₹ 10/-each		
	Basic	(5.36)	(8.38)
	Diluted	(5.36)	(8.38)

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N

Sd/-  
GC AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

PLACE: GURUGRAM  
DATED: 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

**ABRIDGED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

Sr. No.	Particulars	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2019 (In ₹)
1	Cash Flow from Operating Activities	241554761	288564888
2	Cash Flow from Investing Activities	64856517	2885448
3	Cash Flow used in Financing Activities	(285903881)	(288332088)
4	<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>20507397</b>	<b>3118248</b>
5	<b>Cash and Cash Equivalents at the beginning of year</b>	<b>69841161</b>	<b>66722913</b>
6	<b>Cash and Cash Equivalents at the end of year</b>	<b>90348558</b>	<b>69841161</b>

Note:

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)
- Cash and Cash Equivalents consist of cash in hand and balances with banks.
- Borrowings from banks is net of repayments.
- Figures in brackets represent outflow of cash.

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

PLACE: GURUGRAM  
DATED: 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

**Note:** Complete Standalone Balance Sheet, Statement of Changes in Equity, Standalone Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link <http://www.hbestate.com/Investor%20Information/Annual%20Reports/index.html> Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.


**STANDALONE ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2019**
**A. Equity Share Capital**

Particulars	Balance as at 31st March, 2018 (In ₹)	Changes in Equity Share Capital during the year 2018-19	Balance as at 31st March, 2019 (In ₹)
Equity Share Capital	197336908	-	197336908

**B. Other Equity**

Particulars	Balance as at 31st March, 2018 (In ₹)	Changes in Accounting Policy or prior period errors (In ₹)	Restated balance as at 31st March, 2018 (In ₹)	Total Comprehensive Income for the year (In ₹)	Dividends (In ₹)	Transfer to Retained Earnings (In ₹)	Ant Other Change (In ₹)	Balance as at 31st March, 2019 (In ₹)
Equity Component of Compound financial instruments*	303773313	-	303773313	-	-	(45899382)	(78561156)	179312776
<b>Reserve &amp; Surplus</b>								
(i) Capital Reserve	23039795	-	23039795	-	-	-	-	23039795
(ii) Business Reorganization Reserve	1046662354	-	1046662354	-	-	-	-	1046662354
(iii) Capital Redemption Reserve	20000000	-	20000000	-	-	-	-	20000000
(iv) Securities Premium	555742116	-	555742116	-	-	-	-	555742116
(v) General Reserve	668199083	-	668199083	-	-	-	-	668199083
(vi) Statutory Reserve	125903413	-	125903413	-	-	-	-	125903413
(vii) Retained Earnings	(560090775)	0	(560090775)	(104292993)	-	45899382	-	(618484386)
Items of Other Comprehensive Income	507619	0	507619	(344350)	-	-	-	163269
<b>Total</b>	<b>2183736918</b>	<b>0</b>	<b>2183736918</b>	<b>(104637343)</b>	<b>0</b>	<b>0</b>	<b>(78561156)</b>	<b>2000538420</b>

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm Registration Number: 017851N

FOR AND ON BEHALF OF THE BOARD

Sd/-  
 G C AGARWAL  
 (PROPRIETOR)  
 Membership No.: 083820

Sd/-  
 J.M.L. SURI  
 (DIRECTOR)  
 DIN: 00002373

Sd/-  
 ANIL GOYAL  
 (DIRECTOR)  
 DIN: 00001938

PLACE: GURUGRAM  
 DATED: 27.05.2019

Sd/-  
 PRAVEEN GUPTA  
 (CHIEF FINANCIAL OFFICER)

Sd/-  
 RADHIKA KHURANA  
 (COMPANY SECRETARY)  
 M.No.: ACS-32557

**Note:** Complete Standalone Balance Sheet, Statement of Changes in Equity, Standalone Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link <http://www.hbestate.com/Investor%20Information/Annual%20Reports/index.html> Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF ABRIDGED FINANCIAL STATEMENT**

1. Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and Other Statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website at link [www.hbestate.com](http://www.hbestate.com). Copy of Financial Statement is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM.

**2. SEGMENT INFORMATION**

(Refer Note No. 39 of the Standalone Financial statements)

**Information about Primary Segment**

The Company operates in a Single Primary Segment (Business Segment) i.e. Hotel Operations.

**Information about Geographical Segment – Secondary**

The Company's operations are located in India. The Management has not identified any Geographical Segment.

**3. CONTINGENT LIABILITIES**

(Refer Note No. 43 of the Standalone Financial Statements)

**i) DUTIES AND TAXES**

Particulars	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
Disputed Sales Tax	161709502	161709502
Property Tax*	7821151	7821151
Vacant Land Tax (Under Appeal in Delhi High Court)	228616	228616
<b>Total</b>	<b>169759269</b>	<b>169759269</b>

(\*) The Total Demand raised by MCD was ₹ 83,85,604/- (Previous Year ₹ 83,85,604/-). Against this, the Company deposited the admitted liability of ₹ 5,64,453/- (Previous Year ₹ 5,64,453/-). For the balance amount of ₹ 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 ₹ 78,21,151/- . As per direction of Hon'ble Court the Company paid a sum of ₹ 10,18,477/- against the aforesaid demand and stay has been granted for the balance amount. 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 ₹ 10,18,477/- paid by the Company is being shown as recoverable in the Balance Sheet under the head Short Term Loans and Advances.

**(ii) OTHER CONTINGENT LIABILITIES**

Particulars	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
Claim against the Company not acknowledged as Debt	27755293	27755293
Letter of Credit/ Bank Guarantee issued by bank	2000000	3944000
Ground Rent*	-	-
<b>Total</b>	<b>29755293</b>	<b>31699293</b>

(\*) The Company had received a show cause notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 258.68 Lacs (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 14.07.2006. 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 04.12.2006 set-aside the matter to DDA for reconsideration. DDA vide Notice dated 12.01.2010 demanded a sum of ₹ 398.46 Lacs (excluding interest) towards ground rent upto the period 14.07.2010. Aggrieved by the said demand, the Company again filed a writ petition in the Hon'ble High Court of Delhi which vide its order dated 31.05.2010 stayed the operations of the order of DDA subject to Company depositing a sum of ₹ 100 Lacs. As per the direction of Hon'ble High court, the Company has deposited the said amount of ₹ 100 Lacs on 10.06.2010.

The matter is pending for final disposal by the Hon'ble Court. The liability will be determined only after the disposal of matter by the Hon'ble High Court of Delhi; and therefore at this stage, in the opinion of management any further provision is neither considered necessary nor ascertainable. The effect of any arrear/excess amount will be taken after the decision of the Hon'ble Court.

**4. RELATED PARTY TRANSACTIONS**

(Refer Note No. 44 of the Standalone Financial statements)

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

**RELATED PARTY NAME AND RELATIONSHIP**
**(a) Person having significant influence/control/major shareholders**

(i) Mr. Lalit Bhasin

**(b) Key Managerial Personnel**

(i) Mr. Praveen Gupta - CFO

(ii) Ms. Radhika Khurana, Company Secretary

**(c) Enterprises over which significant influence/control exist of the relatives of persons mentioned in (a) above**

(i) RRB Master Securities Delhi Ltd.

**(d) Enterprises under direct or indirect common control/significant influence of key managerial person/ relative of Key Managerial Person**

(i) HB Stockholdings Ltd.

(ii) HB Portfolio Ltd.

(iii) HB Securities Ltd. (Subsidiary of HB Portfolio Ltd.)

(iv) RRB Securities Ltd.

**(e) Enterprises under Joint ventures /Associate Company**

(i) Parsvnath HB Projects Pvt. Ltd.- Associate


**Related Party Transactions:**

Sr. No.	Particulars	Nature of Transaction	For the Year ended March 31, 2019 (In ₹)	For the Year ended March 31, 2018 (In ₹)
<b>Enterprises under direct or indirect common control / significant influence of Key Managerial Person / Relative of Key Managerial person</b>				
i	RRB Master Securities Delhi Ltd.	Rent Received	878173	863052
ii	HB Stockholdings Ltd.	Rent Received	861240	861240
		Amount paid pursuant to Composite Scheme of Arrangement paid during the year	4214449	-
iii	HB Portfolio Ltd.	Rent Received	861240	861240
		Issue of Preference Shares	20000000	-
		Amount received pursuant to Composite Scheme of Arrangement realized	5933540	-
iv	RRB Securities Ltd.	Rent Received	-	131560
		Security Deposit Repaid	-	5700000
v	HB Securities Ltd.	DP Charges Paid	1180	1150
		Redemption of Preference Shares	10000000	-
<b>Key Managerial Person/ Persons having significant influence/ control/ major shareholder</b>				
vi	Lalit Bhasin	Sitting Fees paid	40000	40000
		Loans Received	46000000	-
		Loans Repaid	20000000	41500000
vii	Praveen Gupta	Remuneration & other services	3770999	3743061
viii	Radhika Khurana	Remuneration & other services	568014	487313

**Related Party balances:**

Particulars	Nature of Balance	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
<b>Key Managerial Person / Persons having significant influence / control / major shareholder</b>			
Lalit Bhasin	Loan including Accrued Interest	80000000	54000000
<b>Enterprises under direct or indirect common control/significant influence of Key Managerial Person / Relative of Key Managerial Person</b>			
RRB Master Securities Delhi Ltd.	Security Deposit	215763	215763
HB Stockholdings Ltd.	Security Deposit	34500000	34500000
	Payable pursuant to Composite Scheme of Arrangement	-	4214449
HB Portfolio Ltd.	Security Deposit	34500000	34500000
	Receivable pursuant to Composite Scheme of Arrangement	-	5933540
Parsvnath HB Projects Pvt. Ltd.	Loan including accrued Interest	26476182	14196182

5. The Company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.

**6. DETAILS OF CASH AND CASH EQUIVALENTS ARE AS FOLLOWS:**

Particulars	31 <sup>st</sup> March, 2019 (In ₹)	31 <sup>st</sup> March, 2018 (In ₹)
(a) Balances with Banks	55881987	68678103
(b) Cheques, Drafts in hand	33257085	187704
(c) Cash in hand	1209486	975354
(d) Others, if any,	0	0



**7. ITEMS WHICH CONSTITUTE 20% OR MORE OF THE TOTAL INCOME OR EXPENDITURE (INCLUDING PROVISIONS) ARE GIVEN BELOW:**

Sr. No.	Particulars	31 <sup>st</sup> March, 2019 (In ₹)		31 <sup>st</sup> March, 2018 (In ₹)	
(i)	<b>Income</b>				
	(a) Revenue from operations				
	<b>Hotel Revenue:-</b>				
	Rooms	465348663		450008713	
	Food & Beverages, Restaurant and Banquet Income	345068107		332505651	
	Others	50130510	860547280 (94.80%)	50102779	832617143 (98.29%)
(ii)	<b>Expenditure</b>				
	(a) Finance Cost:-				
	Interest	215849731		221372777	
	Loan Processing fee amortized during the year	14195619		10273297	
	Interest expense on fair valuation of Security deposit	2450964		6266014	
	Interest expense on debt component of compound instruments	44533580	277029894 (26.93%)	28948804	266860892 (25.78%)

8. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to Current year's classification.

*As per our Report attached on even date*

**FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N**

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

PLACE: GURUGRAM  
DATED: 27.05.2019

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

TO,  
THE MEMBERS OF  
HB ESTATE DEVELOPERS LIMITED

**Report on the Audit of the Consolidated Financial Statements****Opinion**

We have Audited the accompanying Consolidated Financial Statements (the "Consolidated Financial Statements") of **HB ESTATE DEVELOPERS LIMITED** ("the Company") and its Associate, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year ended, and a summary of significant Accounting Policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31<sup>st</sup> March, 2019, their Consolidated Loss (including Other Comprehensive Income), their Consolidated Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date

**Basis of Opinion**

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are Independent of the Group in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our Audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Key Audit Matters**

We have determined that there are no key audit matter to communicate in our Report.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The respective Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Consolidated Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and changes in Equity of the Company in accordance with the Ind AS and other Accounting Principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting records, relevant to the preparation and presentation of the Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the respective Board of Directors of the Companies included in the Group and its associate ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an Audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal Control.
- Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls System in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate Audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been Audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the Audits carried out by them. We remain solely responsible for our Audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the Audit and significant Audit findings, including any significant deficiencies in internal control that we identify during our Audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the Audit of the Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019 and are therefore the key Audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

The Consolidated Financial Statements include the Group's share of net loss of ₹ Nil /- for the year ended 31<sup>st</sup> March, 2019, as considered in the Consolidated Financial Statements. These Financial Statements / Financial Information have been Audited by other Auditors whose reports have been furnished to us by the Management and our opinion on /the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on the reports of the Auditor.

# HB ESTATE DEVELOPERS LIMITED (Consolidated Financial Statements)



Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law maintained by the Company, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended).
- e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the Directors of the Company is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group – Refer Note No. 49 of the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2019.
  - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2019.
- h. With respect to the matter to be included in the Auditor's Report under Section 197(16):

The Group has not paid any managerial remuneration for the year ended 31<sup>st</sup> March, 2019 to its Directors.

FOR G. C. AGARWAL & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. 083820

PLACE : GURUGRAM  
DATED : 27/05/2019

## ANNEXURE – A

Referred to in paragraph 9(f) of the Independent Auditor's Report of even date to the Board of Directors of HB Estate Developers Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have Audited the Internal Financial Controls over Financial Reporting of HB Estate Developers Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our Audit of the Consolidated Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's Policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our Audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Control over Financial Reporting to future periods are subject to the risk that the Internal Financial Control over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control system over Financial Reporting and such Internal Financial Control over Financial Reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. C. AGARWAL & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No. 083820

PLACE : GURUGRAM  
DATED : 27/05/2019



**INDEPENDENT AUDITOR'S REPORT ON**  
**ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS**

To  
The Members  
HB Estate Developers Limited

**Report on the Abridged Consolidated Financial Statements**

The accompanying Abridged Consolidated Financial Statements, which comprise the Abridged Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Abridged Consolidated Statement of Profit and Loss, the Abridged Consolidated Statement of Changes in Equity and the Abridged Consolidated Cash Flow Statement, for the year then ended, and related notes, are derived from the Audited Consolidated Financial Statements of HB Estate Developers Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the year ended 31 March, 2019. We expressed an unmodified audit opinion on those Consolidated Financial Statements vide our report dated 27<sup>th</sup> May, 2019.

The Abridged Consolidated Financial Statements do not contain all the disclosures required by the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013 ('the Act') and Accounting Principles generally accepted in India, applied in the preparation of the Audited Consolidated Financial Statements of the Company. Reading the Abridged Consolidated Financial Statements, therefore, is not a substitute for reading the Audited Consolidated Financial Statements of the Company.

**Management's Responsibility for the Abridged Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of a summary of the Audited Consolidated Financial Statements in accordance with first proviso to Section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the Audited Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019, prepared in accordance with Indian Accounting Standard (Ind AS) referred to in Section 133 of the Act and Accounting Principles generally accepted in India.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Abridged Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

**Opinion**

In our opinion, the Abridged Consolidated Financial Statements, prepared in accordance with first proviso to Section 136(1) of the Act read with Rule 10 of Companies (Accounts) Rules, 2014 are derived from the Audited Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2019 and are a fair summary of those Consolidated Financial Statements.

**Other Matters**

The Consolidated Financial Statements include the Group's share of net loss of ₹ Nil /- for the year ended 31<sup>st</sup> March, 2019, as considered in the Consolidated Financial Statements. These Financial Statements / Financial Information have been Audited by other Auditors whose reports have been furnished to us by the Management and our opinion on /the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on the reports of the auditor.

**FOR G C AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017851N

PLACE : Gurugram  
DATED: 27/05/2019

**G C AGARWAL**  
(PROPRIETOR)  
Membership No. 083820

**HB ESTATE DEVELOPERS LIMITED (Consolidated Financial Statements)**

**FORM AOC-3**

(Statement containing the salient features of Consolidated Balance Sheet as per first proviso to sub-section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

**ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

PARTICULARS	As at 31st March 2019 (In ₹)	As at 31st March 2018 (In ₹)
<b>I ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(a) Property, Plant and Equipment	4473450468	4604797453
(b) Other Intangible Assets	1815698	2953177
(c) Financial Assets		
(i) Investments	140931862	215269435
(ii) Other Financial Assets	21351760	7015949
(d) Deferred Tax Assets (Net)	407095134	388024876
(e) Other Non Current Assets	3339220	3443964
	5047984142	5221504854
<b>(2) Current Assets</b>		
(a) Inventories	138529757	172485945
(b) Financial Assets		
(i) Trade Receivables	34612102	32833620
(ii) Cash and Cash Equivalents	90348558	69841161
(iii) Other Bank Balances other than (ii) above	4270394	12288372
(iv) Loans	28118292	39417826
(v) Other Financial Assets	373054	904188
(c) Current Tax Assets (Net)	34088819	36972121
(d) Other Current Assets	52844965	85970382
	383185941	450713615
<b>Total Assets</b>	5431170083	5672218469
<b>II EQUITY AND LIABILITIES</b>		
<b>(1) EQUITY</b>		
(a) Equity Share Capital	197336908	197336908
(b) Other Equity	2000538420	2183736918
	2197875328	2381073826
<b>LIABILITIES</b>		
<b>(2) Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	2683870834	2705928949
(ii) Other Financial Liabilities	89913720	90494458
(b) Provisions	5950804	4729842
	2779735358	2801153249
<b>(3) Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	148944133	151298483
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	3815342	1095533
- Total outstanding dues of creditors other than micro enterprises and small enterprises	117836541	152018029
(iii) Other Financial Liabilities	163886869	150834751
(b) Other Current Liabilities	17816471	33648250
(c) Provisions	1260041	1096348
	453559397	489991394
<b>Total Equity and Liabilities</b>	5431170083	5672218469

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm Registration Number: 017851N

FOR AND ON BEHALF OF THE BOARD

Sd/-  
 G C AGARWAL  
 (PROPRIETOR)  
 Membership No.: 083820

Sd/-  
 J.M.L. SURI  
 (DIRECTOR)  
 DIN: 00002373

Sd/-  
 ANIL GOYAL  
 (DIRECTOR)  
 DIN: 00001938

PLACE: GURUGRAM  
 DATED: 27.05.2019

Sd/-  
 PRAVEEN GUPTA  
 (CHIEF FINANCIAL OFFICER)

Sd/-  
 RADHIKA KHURANA  
 (COMPANY SECRETARY)  
 M.No.: ACS-32557

**Note:** Complete Consolidated Balance Sheet, Statement of Changes in Equity, Consolidated Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link <http://www.hbestate.com/Investor%20Information/Annual%20Reports/index.html> Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.



ABRIDGED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR TGE PERIOD ENDED ON 31ST MARCH, 2019

Sr. No.	Particulars	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2018 (In ₹)
I	Revenue from Operations	892200847	837787867
II	Other Income	15544437	9298466
III	<b>Total Income (I+II)</b>	<b>907745284</b>	<b>847086333</b>
IV	<b>Expenses:</b>		
	Food and Beverages Consumed	82959423	81992017
	Changes in inventories of Finished Goods/ Stock-in-Trade	26798206	0
	Employee Benefit Expense	195990778	196905676
	Finance Costs	277029894	266860892
	Depreciation and Amortization Expense	141728862	143569791
	Other Expenses	304298561	345908335
	<b>Total Expenses (IV)</b>	<b>1028805724</b>	<b>1035236711</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(121060440)</b>	<b>(188150378)</b>
VI	<b>Exceptional items</b>	-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>(121060440)</b>	<b>(188150378)</b>
VIII	<b>Tax expense:</b>		
	Current tax	-	-
	Income Tax Earlier Years	2161340	-
	Deferred Tax	(18928787)	(25088319)
IX	<b>Profit/(Loss) for the year after tax</b>	<b>(104292993)</b>	<b>(163062059)</b>
X	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit or loss		
	Re-measurement gains (losses) on defined benefit plans	(485821)	892739
	Income tax effect on above	141471	(259966)
	<b>Total Other Comprehensive Income</b>	<b>(344350)</b>	<b>632773</b>
XI	<b>Total Comprehensive Income for the period (IX+X) (comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>(104637343)</b>	<b>(162429286)</b>
XII	<b>Earning per equity share:</b>		
	Equity share of Par value ₹ 10/-each		
	Basic	(5.36)	(8.38)
	Diluted	(5.36)	(8.38)

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

PLACE: GURUGRAM  
DATED: 27.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Sr. No.	PARTICULARS	For the year ended 31st March, 2019 (In ₹)	For the year ended 31st March, 2018 (In ₹)
1	Cash Flow from Operating Activities	241554761	288564888
2	Cash Flow from Investing Activities	64856517	2885448
3	Cash Flow used in Financing Activities	(285903881)	(288332088)
4	<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>20507397</b>	<b>3118248</b>
5	<b>Cash and Cash Equivalents at the beginning of period</b>	<b>69841161</b>	<b>66722913</b>
6	<b>Cash and Cash Equivalents at the End of period</b>	<b>90348558</b>	<b>69841161</b>

Note:

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow statements)
- Cash and Cash Equivalents consist of cash in hand and balances with banks.
- Borrowings from banks is net of repayments.
- Figures in brackets represent outflow of cash.

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

PLACE: GURUGRAM  
DATED: 27.05.2019

FOR AND ON BEHALF OF THE BOARD

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(CHIEF FINANCIAL OFFICER)

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RADHIKA KHURANA  
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M.No.: ACS-32557

Note: Complete Consolidated Balance Sheet, Statement of Changes in Equity, Consolidated Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link <http://www.hbestate.com/Investor%20Information/Annual%20Reports/index.html> Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.


**ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2019**
**A. Equity Share Capital**

Particulars	Balance as at 31st March, 2018 (In ₹)	Changes in Equity Share Capital during the year 2018-19	Balance as at 31st March, 2019 (In ₹)
Equity Share Capital	197336908	-	197336908

**B. Other Equity**

Particulars	Balance as at 31st March, 2018 (In ₹)	Changes in accounting policy or prior period errors (In ₹)	Restated balance as at 31st March, 2018 (In ₹)	Total Comprehensive Income for the year (In ₹)	Dividends (In ₹)	Transfer to Retained Earnings (In ₹)	Ant Other Change (In ₹)	Balance as at 31st March, 2019 (In ₹)
Equity Component of Compound financial instruments*	303773313	-	303773313	-	-	(45899382)	(78561156)	179312776
<b>Reserve &amp; Surplus</b>								
(i) Capital Reserve	23039795	-	23039795	-	-	-	-	23039795
(ii) Business Reorganization Reserve	1046662354	-	1046662354	-	-	-	-	1046662354
(iii) Capital Redemption Reserve	20000000	-	20000000	-	-	-	-	20000000
(iv) Securities Premium	555742116	-	555742116	-	-	-	-	555742116
(v) General Reserve	668199083	-	668199083	-	-	-	-	668199083
(vi) Statutory Reserve	125903413	-	125903413	-	-	-	-	125903413
(vii) Retained Earnings	(560090775)	-	(560090775)	(104292993)	-	45899382	-	(6184843860)
Items of Other Comprehensive Income	507619	-	507619	(344350)	-	-	-	163269
<b>Total</b>	<b>2183736918</b>	<b>0</b>	<b>2183736918</b>	<b>(104637343)</b>	<b>0</b>	<b>0</b>	<b>(78561156)</b>	<b>2000538420</b>

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N

FOR AND ON BEHALF OF THE BOARD

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

Sd/-  
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PLACE: GURUGRAM  
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Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

**Note:** Complete Consolidated Balance Sheet, Statement of Changes in Equity, Consolidated Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at link <http://www.hbestate.com/Investor%20Information/Annual%20Reports/index.html> Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.


**SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF ABRIDGED CONSOLIDATED FINANCIAL STATEMENT**

1. Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and Other Statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website at link [www.hbestate.com](http://www.hbestate.com). Copy of Financial Statement is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM.

2. The Company has one associate namely Parsvnath HB Projects Private Limited wherein Company's share is 49% and is doing business of real estate. The Consolidated Financial comprise of Standalone Financial Statements along with its one Associate and has been prepared in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The Consolidated Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company and its associate has consistently applied the Accounting Policies used in the preparation for all periods presented.

**3. SEGMENT INFORMATION**

(Refer Note No. 39 of the Consolidated Financial Statements)

**Information about Primary Segment**

The Company operates in a Single Primary Segment (Business Segment) i.e. Hotel Operations.

**Information about Geographical Segment – Secondary**

The Company's operations are located in India. The Management has not identified any Geographical Segment.

**4. CONTINGENT LIABILITIES**

(Refer Note No. 43 of the Consolidated Financial Statements)

**i) DUTIES AND TAXES**

Particulars	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
Disputed Sales Taxes	161709502	161709502
Property Tax*	7821151	7821151
Vacant Land Tax (Under Appeal in Delhi High Court)	228616	228616
<b>Total</b>	<b>169759269</b>	<b>169759269</b>

(\*) The Total Demand raised by MCD was ₹ 83,85,604/- (Previous Year ₹ 83,85,604/-). Against this, the Company deposited the admitted liability of ₹ 5,64,453/- (Previous Year ₹ 5,64,453/-). For the balance amount of ₹ 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 ₹ 78,21,151/-. As per direction of Hon'ble Court the Company paid a sum of ₹ 10,18,477/- against the aforesaid demand and stay has been granted for the balance amount. 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 ₹ 10,18,477/- paid by the Company is being shown as recoverable in the Balance Sheet under the head Short Term Loans and Advances.

**(ii) OTHER CONTINGENT LIABILITIES**

Particulars	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
Claim against the Company not acknowledged as Debt	27755293	27755293
Letter of Credit/ Bank Guarantee issued by bank	2000000	3944000
Ground Rent*	-	-
<b>Total</b>	<b>29755293</b>	<b>31699293</b>

(\*) The Company had received a show cause notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 258.68 Lacs (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 14.07.2006. 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 04.12.2006 set-aside the matter to DDA for reconsideration. DDA vide Notice dated 12.01.2010 demanded a sum of ₹ 398.46 Lacs (excluding interest) towards ground rent upto the period 14.07.2010. Aggrieved by the said demand, the Company again filed a writ petition in the Hon'ble High Court of Delhi which vide its order dated 31.05.2010 stayed the operations of the order of DDA subject to Company depositing a sum of ₹ 100 Lacs. As per the direction of Hon'ble High court, the Company has deposited the said amount of ₹ 100 Lacs on 10.06.2010.

The matter is pending for final disposal by the Hon'ble Court. The liability will be determined only after the disposal of matter by the Hon'ble High Court of Delhi; and therefore at this stage, in the opinion of management any further provision is neither considered necessary nor ascertainable. The effect of any arrear/excess amount will be taken after the decision of the Hon'ble Court.

**5. RELATED PARTY TRANSACTIONS**

(Refer Note No. 44 of the Consolidated Financial Statements)

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

**RELATED PARTY NAME AND RELATIONSHIP**
**(a) Person having significant influence/control/major shareholders**

(i) Mr. Lalit Bhasin

**(b) Key Managerial Personnel**

(i) Mr. Praveen Gupta - CFO

(ii) Ms. Radhika Khurana, Company Secretary

**(c) Enterprises over which significant influence/control exist of the relatives of persons mentioned in (a) above**

(i) RRB Master Securities Delhi Ltd.


**(d) Enterprises under direct or indirect common control/significant influence of key managerial person/ relative of Key Managerial person**

- (i) HB Stockholdings Ltd.
- (ii) HB Portfolio Ltd.
- (iii) HB Securities Ltd. (Subsidiary of HB Portfolio Ltd.)
- (iv) RRB Securities Ltd.

**(e) Enterprises under Joint ventures / Associate Company**

- (i) Parsvnath HB Projects Pvt. Ltd.-Associate

**Related Party Transactions:**

Sr. No.	Particulars	Nature of Transaction	For the Year ended March 31, 2019 (In ₹)	For the Year ended March 31, 2018 (In ₹)
<b>Enterprises under direct or indirect common control / significant influence of Key Managerial Person / Relative of Key Managerial Person</b>				
i	RRB Master Securities Delhi Ltd.	Rent Received	878173	863052
ii	HB Stockholdings Ltd.	Rent Received	861240	861240
		Amount paid pursuant to Composite Scheme of Arrangement paid during the year	4214449	-
iii	HB Portfolio Ltd.	Rent Received	861240	861240
		Issue of Preference Shares	200000000	-
		Amount received pursuant to Composite Scheme of Arrangement realized	5933540	-
iv	RRB Securities Ltd.	Rent Received	-	131560
		Security Deposit Repaid	-	5700000
v	HB Securities Ltd.	DP Charges Paid	1180	1150
		Redemption of Preference Shares	10000000	-
<b>Key Managerial Person/ Persons having significant influence/ control/ major shareholder</b>				
vi	Lalit Bhasin	Sitting Fees paid	40000	40000
		Loans Received	46000000	-
		Loans Repaid	20000000	41500000
vii	Praveen Gupta	Remuneration & other services	3770999	3743061
viii	Radhika Khurana	Remuneration & other services	568014	487313

**Related Party balances:**

Particulars	Nature of Balance	As at March 31, 2019 (In ₹)	As at March 31, 2018 (In ₹)
<b>Key Managerial Person / Persons having significant influence / control / major shareholder</b>			
Lalit Bhasin	Loan including Accrued Interest	80000000	54000000
<b>Enterprises under direct or indirect common control/significant influence of Key Managerial Person / Relative of Key Managerial Person</b>			
RRB Master Securities Delhi Ltd.	Security Deposit	215763	215763
HB Stockholdings Ltd.	Security Deposit	34500000	34500000
	Payable pursuant to Composite Scheme of Arrangement	-	4214449
HB Portfolio Ltd.	Security Deposit	34500000	34500000
	Receivable pursuant to Composite Scheme of Arrangement	-	5933540
Parsvnath HB Projects Pvt. Ltd.	Loan including accrued Interest	26476182	14196182

6. The Company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.

**7. ITEMS WHICH CONSTITUTE 20% OR MORE OF THE TOTAL INCOME OR EXPENDITURE (INCLUDING PROVISIONS) ARE GIVEN BELOW:**

Sr. No.	Particulars	31 <sup>st</sup> March, 2019 (In ₹)		31 <sup>st</sup> March, 2018 (In ₹)	
(i)	<b>Income</b>				
	(a) Revenue from operations				
	<b>Hotel Revenue:-</b>				
	Rooms	465348663		450008713	
	Food & Beverages, Restaurant and Banquet Income	345068107		332505651	
	Others	50130510	860547280 (94.80%)	50102779	832617143 (98.29%)
(ii)	<b>Expenditure</b>				
	(a) Finance Cost:-				
	Interest	215849731		221372777	
	Loan Processing fee amortized during the year	14195619		10273297	
	Interest expense on fair valuation of Security deposit	2450964		6266014	
	Interest expense on debt component of compound instruments	44533580	277029894 (26.93%)	28948804	266860892 (25.78%)



8. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013.  
(Refer Note No. 51 of the Consolidated Financial statements)

Name of the Entity	Current Year			
	Net Assets i.e. Total Assets minus total Liabilities		Share in Profit/Loss	
	As % of consolidated net assets	Amount (in ₹)	As % of consolidated Profit / Loss	Amount (in ₹)
<b>Parent</b> HB Estate Developers Limited	100.00 (100.00)	2196830939 (2196830939)	100.00 (100.00)	105681731 (162429286)
<b>Associates (Investments as per Equity method)</b> Parsvnath HB Projects Pvt. Ltd.	(0.00) (0.00)	- -	(0.00) (0.00)	- -
<b>Total</b>	<b>100.00</b> (100.00)	<b>2196830939</b> (2196830939)	<b>100.00</b> (100.00)	<b>105681731</b> (162429286)

9. INTEREST IN ASSOCIATE  
(Refer Note No. 52 of the Consolidated Financial statements)

The Company has only one associate whose principal activity is to carry on the business of real estate and carrying value of investment is nil.

Summarized financial information of associate is as follow:

Particulars	As at 31 <sup>st</sup> March 2019 (In ₹)	As at 31 <sup>st</sup> March 2018 (In ₹)
<b>Assets</b>		
Non Current Assets	8188110	108550
Current Assets	1476112603	1404360894
<b>Liabilities</b>		
Non Current Liabilities	1026808309	942503372
Current Liabilities	546031588	526096086
Equity	(88539184)	(64130014)

Summary of statement of Profit and loss of associate is as follow:

Particulars	For the year ended 31 <sup>st</sup> March, 2019 (In ₹)	For the year ended 31 <sup>st</sup> March, 2018 (In ₹)
Revenue	-	-
Net Loss	(1413501)	(13202096)
Other Comprehensive Income	-	-
Total Comprehensive Income	(1413501)	(13202096)

10. DETAILS OF CASH AND CASH EQUIVALENTS ARE AS FOLLOWS:

Particulars	31 <sup>st</sup> March, 2019 (In ₹)	31 <sup>st</sup> March, 2018 (In ₹)
(a) Balances with Banks	55881987	68678103
(b) Cheques, Drafts in hand	33257085	187704
(c) Cash in hand	1209486	975354
(d) Others, if any,	0	0

11. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to Current year's classification.

As per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 017851N

FOR AND ON BEHALF OF THE BOARD

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
Membership No.: 083820

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

PLACE: GURUGRAM  
DATED: 27.05.2019

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557



**Form AOC-1**

**Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures.**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries: Not Applicable**

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associate Company	Parsvnath HB Projects Pvt. Ltd
1.	Latest Audited Balance Sheet Date	24.05.2019
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	24020
	Amount of Investment in Associates/Joint Venture	Rs. 2,40,200/-
	Extend of Holding%	49.00
3.	Description of how there is significant influence	Shareholding of more than 20%
4.	Reason why the associate/joint venture is not consolidated	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
6.	Profit/Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	N.A.

FOR AND ON BEHALF OF THE BOARD

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
PRAVEEN GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RADHIKA KHURANA  
(COMPANY SECRETARY)  
M.No.: ACS-32557

PLACE: GURUGRAM  
DATED: 27.05.2019



**HB ESTATE DEVELOPERS LIMITED**

**FORM NO. MGT-11**

**PROXY FORM**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L99999HR1994PL034146
Name of the Company : HB Estate Developers Limited
Registered Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram - 122 001 (Haryana)
Name of the Member(s) :
Registered Address :
Email ID :
Folio No./Client ID :
DP ID :

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint:

- 1) Name.....Address.....
Email.....Signature.....or failing him
2) Name.....Address.....
Email.....Signature.....or failing him
1) Name.....Address.....
Email.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th ANNUAL GENERAL MEETING of the Company to be held on Thursday, 19th September, 2019 at 11:00 A.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram – 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- 1. Adoption of Audited Financial Statements including Consolidated Financial Statements for the Financial Year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.
2. Re-appointment of Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment.
3. Continuation of the Appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N), Statutory Auditors of the Company.

Special Business:

- 4. Appointment of Mr. Yash Kumar Sehgal (DIN: 03641168) to fill the Casual Vacancy. (Special Resolution)
5. Appointment of Mrs. Banmala Jha as a Manager of the Company. (Special Resolution)
6. Re-appointment of Mrs. Asha Meha (DIN:02658967) as an Independent Director of the Company (Special Resolution)
7. Re-appointment of Mr. Rajesh Jain (DIN:00031590) as an Independent Director of the Company (Special Resolution)
8. Continuation of Directorship of Mr. Jag Mohan Lal Suri (DIN: 00002373) Non – Executive Director of the Company (Special Resolution)

Affix Rupee 1/- Revenue Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of the Shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



**HB ESTATE DEVELOPERS LIMITED**

**ATTENDANCE SLIP**

**25th ANNUAL GENERAL MEETING**

Date : 19th day of September, 2019
Time : 11.00 A.M.
Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 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 25th Annual General Meeting held on Thursday, 19th day of September, 2019 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana

Folio No. / DP-ID : .....

Client-ID : .....

No. of Shares : .....

Signature(s).....

Members may please note that the GIA House 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.

# ROUTE MAP OF GIA HOUSE

